

MOUNTAIN VIEW CORRIDOR & TOLLING:

A Panel Discussion and Open House

UDOT Project No. \*SP-0067(3)0

9 November 2006

Salt Lake Community College

Miller Campus

9750 South 300 West

Sandy, Utah

8:00 a.m.

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1 COMMISSIONER BROWN: I'd think it's time we 07:59:38  
2 begin this morning. 08:02:39

3 We want to welcome all of you here to the 08:02:40  
4 Transportation Committee meeting. This is a little 08:02:43  
5 different format than we usually operate in, but we 08:02:46  
6 have some important business to take care of this 08:02:49  
7 morning. We welcome all of you here. And we recognize 08:02:50  
8 we asked some very important people, and people who are 08:02:53  
9 very knowledgeable of many areas, especially that 08:02:55  
10 related to transportation. 08:02:58

11 My name is Glen Brown. I'm the commission 08:02:59  
12 chair. And I'm going to take just a moment and allow 08:03:02  
13 everyone -- all of our commissioners to introduce 08:03:05  
14 themselves. 08:03:08

15 Commissioner Lewis, would you like to start 08:03:10  
16 out, please? 08:03:11

17 COMMISSIONER LEWIS: I'm Jerry Lewis. I'm 08:03:14  
18 commissioner from St. George. I represent the 08:03:16  
19 southwest part of the state, which includes about ten 08:03:19  
20 counties. 08:03:22

21 COMMISSIONER WILSON: Bevan Wilson. I'm 08:03:24  
22 from Huntington. I represent southeastern Utah; Emery, 08:03:27  
23 Carbon, Grand, and San Juan counties. 08:03:30

24 COMMISSIONER BODILY: Steve Bodily. I live 08:03:32  
25 in Lewiston. I represent the northern tier of 08:03:33

counties; Cache, Rich, and Box Elder.

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COMMISSIONER WARNICK: Ken Warnick. I live in south Ogden, representing Weber, Davis, Morgan counties.

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COMMISSIONER MILLINGTON: Kent Millington. I live in Highland, and I represent the central part of the state; Utah County specifically, and on -- Juab County, and then on east to the Colorado and Wyoming borders.

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MR. BROWN: Thank you.

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We're missing one commissioner this morning. She may be right in the midst, Commissioner Wells, who represents the Salt Lake County and Tooele County area.

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And I live in Coalville, and I'm the commissioner (inaudible) in the state.

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We have, of course, some very unique opportunities ahead of us in our state, and a lot of challenges as it relates to our transportation.

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One of the issues that we have spent some time on already, and that is the issue of -- of considering tolling on our facilities. It's an issue that brings a lot of concern and discomfort to many people. But as a Commission, we've felt that it is something that we have to give a serious consideration to.

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1 Oftentimes people assume that decisions have 08: 04: 50  
2 already been made, but that's certainly not the case. 08: 04: 54  
3 We're trying to do our very best to understand this 08: 04: 56  
4 issue, and to be acquainted with all of the pros and 08: 05: 01  
5 cons associated with that. 08: 05: 03

6 Hopefully today, as we go through our panel 08: 05: 04  
7 discussion, we will be able to get different 08: 05: 07  
8 perspectives, learn from one another, and be able to 08: 05: 10  
9 interact and to come to an understanding of the things 08: 05: 14  
10 that hopefully we need in order to make wise and 08: 05: 17  
11 important decisions for our traveling public and the 08: 05: 22  
12 citizens of our state. 08: 05: 24

13 I've had join me here another Commissioner 08: 05: 25  
14 Jan Wells. Would you like to say hello this morning? 08: 05: 32

15 COMMISSIONER WELLS: Good morning, 08: 05: 35  
16 everybody. I'm not going to say a lot. I represent 08: 05: 36  
17 Salt Lake and Tooele counties, and I have a bad voice 08: 05: 39  
18 today. 08: 05: 41

19 COMMISSIONER BROWN: Sorry about that. 08: 05: 42

20 We certainly hope you haven't been yelling 08: 05: 43  
21 at anyone or anything like that. 08: 05: 47

22 In order, this morning, we have Lieutenant 08: 05: 50  
23 Governor Gary Herbert, to help us start this commission 08: 05: 54  
24 meeting out, and then these panels, and share 08: 05: 59  
25 perspective. 08: 06: 03

1           And we certainly, as a Commission, are very  
2 grateful for the support we've had from our current  
3 administration, likewise the Legislature. They have  
4 recommended and appropriated a lot of money in the last  
5 few years, and it's helped us accomplish a number of  
6 things.

7           We've got a long ways to go and a lot to do,  
8 but we have been very appreciative of all of the  
9 support we've had from our Governor and our Lieutenant  
10 Governor.

11           So Lieutenant Governor, would you like to  
12 take just a moment and kick us off from there? Thank  
13 you for being with us this morning.

14           LIEUTENANT GOVERNOR HERBERT: Well, thank  
15 you, Glen. I don't know if this is supposed to be this  
16 way, tilted to the right, because I'm a Republican.

17           Maybe I'll just do this. How's that?

18           See how adaptable this administration is?

19           Hey, I apologize for not being here in my  
20 pajamas this morning, but I've been up early, and I'm a  
21 little blurry-eyed. And it really is representative of  
22 the challenge that we have in the state of Utah right  
23 now, and germane to the subject at hand. And that is,  
24 we have tremendous growth in the state of Utah. I had  
25 my number seven grandchild born at 3:30 this morning,

1 and at the American Fork hospital, so I've not had as 08:07:28  
2 much sleep as normally I would have. Normally I'd get 08:07:31  
3 at least four or five hours. And I didn't get that 08:07:34  
4 last night. 08:07:38

5 But, again, it is -- I reflected on that 08:07:38  
6 this morning, as we see a fast growing state. You 08:07:41  
7 know, we're the fourth or fifth fastest growing state 08:07:45  
8 here in the Union. And that means that we are going to 08:07:49  
9 continue to have some of those challenges that are 08:07:51  
10 impacted because of growth. And at the top of the list 08:07:53  
11 is certainly our transportation needs. 08:07:56

12 And with the ups and downs of the economy, 08:08:00  
13 sometimes it, in the past, it's not been always -- we 08:08:02  
14 have not always had the ability to address some of 08:08:07  
15 those transportation needs, and we've fallen a little 08:08:09  
16 bit behind the curve. As most of you know here, we 08:08:12  
17 have a multi-billion dollar shortfall, and the 08:08:15  
18 challenge of how do we address the transportation needs 08:08:18  
19 in this state, which are great. 08:08:21

20 We've had a transportation summit, where 08:08:23  
21 we've talked about a lot of these issues. Just as 08:08:27  
22 important, we've had an economic development summit, 08:08:30  
23 where we had a lot of the CEOs from the top 150 08:08:33  
24 companies in the state come and talk about what can we 08:08:37  
25 do to grow the economy? And the good news is the 08:08:39

1 economy is growing. Again, in the state of Utah, 27  
2 out of 29 counties have had economic growth and  
3 prosperity the last 12 months. So those are good  
4 things. But it also exacerbates, in some way, the  
5 growth pressures, because people look to Utah now as a  
6 place to go, and to set up their family, and their  
7 business. And entrepreneurs are looking to Utah as  
8 fertile field. And we like that, and we appreciate  
9 that, and we encourage it. But as the business people  
10 are telling us, unless we have transportation, that's  
11 not only safe but effective, then we can have this  
12 dampening effect on the economy, which makes it  
13 difficult for all of us as Utah. Particularly  
14 difficult not only for us, but for our children, or for  
15 my granddaughter's future, that was born this morning.

16 So, again, this is a very important topic  
17 for us, as far as how we address it. I think a lot of  
18 good things have happened on our watch. Again, thanks  
19 to some of the Legislature. Representative Lockhart is  
20 here, and I certainly want to give her tribute, and  
21 others in the Legislature, in helping us focus on  
22 transportation, and actually, for the first time in  
23 Utah's history, have some kind of ear-marking where at  
24 least a portion of our general fund monies are now  
25 going into a transportation and investment fund.

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1           And that will allow us, as we grow the  
2           economy, to have some kind of proportionality of money  
3           that's going to be put into the transportation fund.  
4           But, again, I guess the sad thing is it's not enough.  
5           As we look at the nature of the challenge in the state  
6           of Utah, we have this multi-billion dollar shortfall.  
7           We have had some relief.

8           The elections, I think, have given us  
9           indication here that the public is aware, they're  
10          concerned, and they're saying to us, as elected  
11          officials, policy makers, We're going to give you some  
12          money. We're going to give you some tools. Now do  
13          something. We want you to fix it. And Proposition 3  
14          passing here in Salt Lake valley, and the -- and, of  
15          course, an option has passed in Utah County, will at  
16          least give us a significant, I think, leg up in helping  
17          us address, at least in part, some of the  
18          transportation challenges we have in the state of Utah.

19          We are still not going to have enough  
20          though. We have I-15 reconstruction that needs to be  
21          done. We're here to talk about the Mountain View  
22          Corridor, but there's other areas in Utah and Davis  
23          County, and the roads in Weber County. The parkway  
24          in -- Summit Parkway in Washington County. So a lot of  
25          roads in rural Utah. It's going to be a significant



1 mountain for us to climb, and we must climb it, and we  
2 can only do it if we do it together. So I'm pleased  
3 that we're here today to talk about the Mountain View  
4 Corridor, and particularly tolling.

5 Again, I think that the Legislature and  
6 Governor Huntsman said, Hey, we've got to look at what  
7 all of the options are out there. Look at all of the  
8 arrows we have in the quiver, to see what's going to be  
9 best for us.

10 And let me just echo what Glen Brown said.  
11 No decision has been made. But we certainly want to  
12 review and put on the table all of those options and  
13 discuss.

14 One thing, we cannot leave today, and that  
15 is not having the facts. And hopefully we can  
16 ascertain the facts, because I -- as I get around the  
17 state, I hear different things being said which are not  
18 factual. And we're not going to come to the right  
19 conclusion here unless we base our decision making on  
20 actual facts.

21 So hopefully we'll have a lot of opportunity  
22 to -- for all of us to learn together, and ascertain  
23 what the facts are, so that we make appropriate  
24 decisions for Utah's future.

25 Let me just conclude by saying, I thank you

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1 all for being here. There really is a need for all of 08:12:22  
2 us to work together on. I want to pay tribute to our 08:12:25  
3 Transportation Commission, the chairman, Glen Brown, 08:12:29  
4 and the other members of the Transportation Commission, 08:12:32  
5 for the good work they're doing. This is not easy. 08:12:35  
6 This is a difficult thing to have to decide how to 08:12:37  
7 apportion the money, and who gets it, and who doesn't; 08:12:39  
8 and making those kind of difficult decisions. 08:12:42

9 But appreciate everybody being here, and I'm 08:12:45  
10 looking forward to staying here for part of the 08:12:48  
11 discussion today, and listening and learning myself. 08:12:50  
12 As we address some of these difficult issues for Utah's 08:12:53  
13 future. So thank you very much. 08:12:55

14 (AUDIENCE APPLAUSE). 08:13:00

15 Let me now welcome up to the podium, John 08:13:02  
16 Njord, who's doing a great job. Has done a great job, 08:13:05  
17 along with Carlos Braceras, our UDOT. 08:13:08

18 Again, I can tell you that nationally, 08:13:11  
19 Utah's recognized as a place where the program is 08:13:12  
20 running efficiently, that we're getting good bang for 08:13:16  
21 the taxpayers dollars. I know our past director, Tom 08:13:20  
22 Warner is here. And, again, we have not skipped a 08:13:24  
23 beat. We've done some great things here, and John 08:13:27  
24 Njord is leading the charge here, transportation in the 08:13:29  
25 state of Utah. So welcome John Njord. 08:13:33

1 MR. JOHN NJORD: Thank you, Lieutenant  
2 Governor.

3 You know, it's been amazing to see what's  
4 happened over the last couple of years with Lieutenant  
5 Governor Herbert and Governor Huntsman, and their  
6 interest and level of interest and emphasis on  
7 transportation. We've seen some tremendous strides  
8 taken forward. And I appreciate your leadership,  
9 Lieutenant Governor, as well as Governor Huntsman, in  
10 leading us on that charge towards making transportation  
11 a priority here in our state.

12 I'd also like to thank those panelists. You  
13 know, for a long time we've been talking about some  
14 panel discussion today. And I've thought in my head,  
15 to get this prestigious crowd together to talk about  
16 this issue is really something special. And I think  
17 today we're going to really learn together, as you  
18 said, Lieutenant Governor, and that we will find some  
19 common ground, I hope.

20 I'd like to thank the transportation  
21 commissioners for making time to be here with us today.  
22 This means that you're here with us all day today,  
23 instead of just a half a day, and I appreciate your  
24 commitment to transportation, and to public service,  
25 which is really notable.

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1 I'd like to thank the Federal, state, and 08:14:58  
2 local officials who are here with us today, and those 08:15:01  
3 that are interested in this project. 08:15:04

4 You know, we started the Mountain View 08:15:07  
5 Corridor three years ago. And it's a -- an 08:15:10  
6 environmental impact statement that we started. And 08:15:14  
7 when you think about things that we have accomplished 08:15:16  
8 as a state, this really stands out as notable. As 08:15:18  
9 being quite different from anything we've done for 08:15:22  
10 decades here in our state. 08:15:24

11 We're proposing a new highway, that's nearly 08:15:26  
12 40 miles long, spans two counties, and will begin to 08:15:31  
13 connect communities that are on the brink right now of 08:15:34  
14 explosion in their growth. 08:15:38

15 When we started this process, we knew full 08:15:40  
16 well that we didn't know how to finance it. And that 08:15:44  
17 didn't deter us from moving forward with an 08:15:48  
18 environmental impact statement. 08:15:50

19 It's often the case that you begin these 08:15:52  
20 environmental impact statements, not knowing exactly 08:15:54  
21 what's going to happen, or what the solution is going 08:15:56  
22 to be. In this situation, it was just this year we 08:16:08  
23 decided, you know, we've got to find other solutions 08:16:08  
24 beyond what we've normally relied upon to find 08:16:08  
25 financing for this project. And I think Lieutenant 08:16:11

1 Governor Herbert really defined the challenge for us 08:16:13  
2 quite well. We have multiple projects throughout the 08:16:16  
3 state that are under-funded, or not funded at all. And 08:16:19  
4 for us to continue marching along with an environmental 08:16:23  
5 impact statement, with no solutions at all, is a 08:16:26  
6 difficult process. I know that, as I look around the 08:16:29  
7 room, I recognize many faces, and I suspect that many 08:16:33  
8 of you have experienced the same thing that I have. 08:16:37  
9 And that is talking with someone who's going to be 08:16:40  
10 directly impacted by a highway, face to face, and tell 08:16:42  
11 them, We don't know when we're going to build this 08:16:48  
12 thing. And for them to know that we're going to take 08:16:50  
13 their home eventually, but that eventuality may be 10, 08:16:53  
14 20, or 30 years from now. It's not a pleasant 08:16:57  
15 experience to do that. And it's an experience that, on 08:17:01  
16 the receiving end, I expect is less pleasant than on 08:17:05  
17 the delivery end, from our side. 08:17:08

18 We're looking for solutions. Now we 08:17:11  
19 launched, some time ago, a managed-lane study within 08:17:15  
20 the department. That managed-lane study identified all 08:17:20  
21 sorts of solutions that can help us address congestion 08:17:24  
22 that we're experiencing in our state, as well as 08:17:29  
23 finding solutions. 08:17:31

24 One of the corridors that we identified in 08:17:32  
25 that managed lane study was the Mountain View Corridor. 08:17:35

1 And it's that that has brought us here together today. 08: 17: 38  
2 It's because of that that we're here, that we're 08: 17: 42  
3 examining this issue, and we're looking at tolling. 08: 17: 45

4 Lieutenant Governor was right, we're not 08: 17: 50  
5 going to make a decision today, nor would we recommend 08: 17: 52  
6 a decision for many -- much time into the future. 08: 17: 54  
7 There's going to be -- need to be a collaboration of 08: 17: 58  
8 many people in order to make a decision of this 08: 18: 01  
9 magnitude. And I suspect that that decision-making 08: 18: 03  
10 process will take a considerable amount of time. 08: 18: 07  
11 Getting the facts out in front of us today I think is 08: 18: 11  
12 really important. Hearing all sides of the issue I 08: 18: 17  
13 think is very important. Because ultimately you 08: 18: 17  
14 commissioners are going to have the responsibility to 08: 18: 18  
15 make this decision as to whether or not this becomes a 08: 18: 20  
16 toll road or not. 08: 18: 24

17 And so I commend everyone that's 08: 18: 25  
18 participating today. I look forward to the discussion. 08: 18: 28  
19 And I'd like to now turn the time over to Ted Knowlton, 08: 18: 31  
20 from Envision Utah, who has graciously accepted the 08: 18: 34  
21 opportunity -- is that what it is, Ted? The 08: 18: 38  
22 opportunity? -- to facilitate this meeting today. 08: 18: 40

23 So Ted? I'll turn it over to you. 08: 18: 43

24 MR. KNOWLTON: Thank you, John. Appreciate 08: 18: 50  
25 that. 08: 18: 54

1 I'd like to thank the Utah Transportation  
2 Commission and the Utah Department of Transportation  
3 for inviting me to moderate this discussion today.

4 Also like to thank the panelists for taking  
5 time out of your schedules to be with us. We know that  
6 some of you have previous commitments that you need to  
7 attend to, as well as, I believe the Lieutenant  
8 Governor. If you need to leave at any point to attend  
9 to those commitments, please feel free to do so.

10 Today, we're here obviously to talk about  
11 tolling, and how it relates to the Mountain View  
12 Corridor. We have three different panels that  
13 represent three general areas of the tolling  
14 discussion.

15 First of all, we have governmental  
16 perspectives; Federal, state, county, and local, on the  
17 Mountain View Corridor and tolling.

18 The second panel has to do with the tolling  
19 analysis findings relative to the Mountain View  
20 Corridor in particular.

21 And the third panel will give us insight on  
22 the local issues and impacts of transportation and  
23 tolling as it relates to the Mountain View Corridor,  
24 from the perspectives of community leaders and business  
25 interests.

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1 I will ask the audience and any panelists to 08: 20: 03  
2 be respectful of each other, and as any comments or 08: 20: 07  
3 questions are posed, we encourage you to have proper 08: 20: 13  
4 decorum and civility when making those comments or 08: 20: 18  
5 questions. 08: 20: 23

6 First, I'd like to take you through the 08: 20: 23  
7 protocol today, and then introduce the first panel. 08: 20: 26

8 One hour is allotted for each panel. That 08: 20: 30  
9 includes the presentations, as well as questions from 08: 20: 30  
10 the Commission. 08: 20: 33

11 First, I'll explain the panel topic, I'll 08: 20: 35  
12 introduce the panelist. Each panelist has three to 08: 20: 39  
13 five minutes for their presentation. I will give each 08: 20: 41  
14 panelist a reminder when they have one minute left. 08: 20: 46

15 After each of those presentations are 08: 20: 48  
16 complete, Commissioner Brown will lead the 08: 20: 52  
17 Transportation Commission in asking follow-up questions 08: 20: 56  
18 of the panel members. 08: 20: 58

19 In order to keep us on schedule, I will 08: 20: 59  
20 suggest to Commissioner Brown when an appropriate time 08: 21: 00  
21 has been reached to move on to the next panel. 08: 21: 05

22 If there is time after the panelists -- the 08: 21: 08  
23 Transportation Commission has completed their 08: 21: 15  
24 questions, within that hour allotment, we will open it 08: 21: 17  
25 up for public questions from the audience. 08: 21: 20



1           And that will carry on through the three  
2 different panels. And then after the third panel, we  
3 will open it up to questions from the audience.

4           Gratefully, there's a break in between the  
5 second and third panelists. But we recognize, if any  
6 of the panelists or the audience need to step out for  
7 refreshment, please feel free to do so.

8           Let's turn our attention to the first panel.  
9 Government Perspectives on Tolling.

10           With us today is Walter Waidelich, Butch  
11 Waidelich, with the Federal Highway Administration. He  
12 will talk about current and future expected conditions  
13 for transportation funding, and policy from a Federal  
14 perspective, including the availability and source of  
15 funds.

16           We also have with us Tom Warne, with Tom  
17 Warne & Associates, as John Njord mentioned, a previous  
18 director with the Utah Department of Transportation.  
19 He will discuss present and future expected conditions  
20 for transportation funding and policy in other states,  
21 giving us that perspective, including availability and  
22 sources of funds.

23           Grateful to have Representative Becky  
24 Lockhart here with us today. She will cover present  
25 and future expected conditions for transportation

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1 funding and policy in the state of Utah, including 08: 22: 47  
2 availability and sources of funds. 08: 22: 51

3 Grateful to have Mayor Dennis Nordfelt of 08: 22: 55  
4 West Valley City, also the chair of the Wasatch Front 08: 22: 59  
5 Regional Council here to talk with us today about 08: 23: 02  
6 future and expected conditions for transportation 08: 23: 05  
7 funding and policy from a Metropolitan planning 08: 23: 07  
8 organization perspective. 08: 23: 09

9 And finally, grateful to have Commissioner 08: 23: 11  
10 Larry Ellertson with the Utah County Commission here 08: 23: 16  
11 with us today, to discuss the local county perspective 08: 23: 16  
12 on these same issues. 08: 23: 22

13 So let's start with Butch Waidelich. 08: 23: 23

14 Butch Waidelich assumed the position of 08: 23: 30  
15 the -- pardon me. I'll just give you a brief 08: 23: 32  
16 introduction and let people know about you. 08: 23: 35

17 -- assumed the position of the division 08: 23: 37  
18 administrator in Utah for the Federal Highway 08: 23: 38  
19 Administration in November of 2005. He leads a staff 08: 23: 41  
20 of 17 here in Utah. Butch has a bachelor's of science 08: 23: 46  
21 in mining engineering from Colorado School of Mines. 08: 23: 51  
22 Before coming to Utah, he was the assistance division 08: 23: 55  
23 administrator in the New Hampshire Division for Federal 08: 23: 58  
24 Highway Administration. 08: 24: 02

25 Mr. Waidelich has been the recipient of 08: 24: 03

1 numerous performance and honor awards, including the 08: 24: 05  
2 Secretaries Award for Partnering Excellence and J.K. 08: 24: 08  
3 Martin Memorial Peer Award. 08: 24: 12

4 Mr. Waidelich and his wife lives -- are both 08: 24: 15  
5 originally from Albany, New York, and have two grown 08: 24: 17  
6 children, Chris and Anne. 08: 24: 20

7 Butch, thanks very much for being here 08: 24: 21  
8 today. You have five minutes. 08: 24: 24

9 MR. WAIDLICH: I better move quickly then. 08: 24: 30  
10 I'm not sure where the clicker went. 08: 24: 32

11 First of all, thank you very much for 08: 24: 34  
12 allowing me to participate in this panel. I noticed 08: 24: 39  
13 Lieutenant Governor Herbert mentioned the growth in 08: 24: 42  
14 Utah. And one of the most outstanding figures that 08: 24: 45  
15 I've noticed is -- also is in the past few years we've 08: 24: 48  
16 talked about hitting 300 million people in the United 08: 24: 52  
17 States. And not too many people realize, we're the 08: 24: 54  
18 fifth or sixth fastest growing country in the world 08: 24: 58  
19 also. And on top of that, it took us 40 years to hit 08: 25: 00  
20 300 million, and they're expecting, in less than 08: 25: 04  
21 20 years, to add another 100 million to that. 08: 25: 07

22 So, as a country, we have similar issues as 08: 25: 09  
23 we have here in Utah, and -- in dealing with 08: 25: 12  
24 congestion, and the rapidly rising growth of that. And 08: 25: 18  
25 dealing with safety, it's paramount. 08: 25: 22

1           What I'd like to do today, fairly quickly,  
2   is give you a status of essentially where the income  
3   comes for Federal aid that goes to the states.

4           Give you a little bit of a status of the  
5   trust fund in recent years, and then give you a sense  
6   of the direction of laws since the Intermobile Surface  
7   Transportation and Efficiency Act of 1991.

8           Prior to 1956, highway funds essentially  
9   came from the general fund of the treasury. Yes, we  
10   had highway user taxes. As a matter of fact, in 1933  
11   was the first gasoline tax. One cent for deficit  
12   reduction, and was supposed to last one year. Ended up  
13   staying, and we've had a gas tax ever since.

14          And it was 1916 when they started taxing  
15   vehicles. Trucks. But those taxes had no connection  
16   to the funding of highways. It was in 1956 where the  
17   Highway Trust Fund was established, and a three-cent  
18   gas tax, in order to provide income for that, in order  
19   to build the interstates. And since that time, we  
20   still have that trust fund.

21          The income into that trust fund comes from  
22   gasoline and Gasohol tax, Federal diesel taxes, and  
23   truck user taxes, for -- there's an annual heavy  
24   vehicle tax, heavy truck tire tax, and sales tax on  
25   vehicles.

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1           Just to give you a little better           08: 26: 58  
2 perspective, you know, how that fits in the big           08: 27: 01  
3 picture. As you can see here, the majority of it is in           08: 27: 04  
4 fuel taxes.           08: 27: 07

5           This graph, I know it's a little difficult           08: 27: 08  
6 to see, but what it shows is essentially the balances           08: 27: 16  
7 of the trust fund, expenditures coming out of it, and           08: 27: 20  
8 its income in recent years.           08: 27: 24

9           And maybe two -- if you could see it           08: 27: 26  
10 better -- fairly easy observations you could make is           08: 27: 29  
11 that in the last few years, more has gone out than has           08: 27: 32  
12 gone in. And essentially we're drawing down the           08: 27: 36  
13 balance of that trust fund over time.           08: 27: 39

14           One thing that is not on this is -- was           08: 27: 42  
15 SAFETYLU, the funding levels that are guaranteed by           08: 27: 45  
16 law, through the next few years, to 2009, are going to           08: 27: 48  
17 have higher expenditures coming out of this fund next           08: 27: 52  
18 few years.           08: 27: 57

19           All right. I've got to caution you on this           08: 28: 03  
20 one, because there's different projections out there.           08: 28: 03  
21 But based on projections from the Treasury, and at           08: 28: 05  
22 current revenue streams, it's looking like the trust           08: 28: 09  
23 fund at the end of SAFETYLU, in 2009, to the range with           08: 28: 13  
24 a balance, you know, as it says, negative \$1 billion,           08: 28: 18  
25 or to \$6 billion. You've probably seen different           08: 28: 21

1 numbers. They could be better, they could be worse, 08: 28: 25  
2 but I think the bottom line out of this is what it's 08: 28: 28  
3 saying is that it -- at current income projections, 08: 28: 31  
4 there doesn't appear to be a surplus in order to fund 08: 28: 36  
5 significant increases out of this trust fund, unless 08: 28: 41  
6 changes are made. 08: 28: 45

7 I don't think many people would argue that 08: 28: 46  
8 the nation's needs are increasing, and that there is 08: 28: 56  
9 congestion issues. 08: 29: 03

10 Now, what this is showing here is the 08: 29: 05  
11 vehicle miles traveled. One -- it increases about two 08: 29: 07  
12 and a half percent a year. What, strikingly, is 08: 29: 13  
13 interesting here, the last few years it has been 08: 29: 16  
14 increasing faster in urban areas than in rural areas, 08: 29: 19  
15 which essentially says, Hey, the problem is 08: 29: 22  
16 compounding. 08: 29: 25

17 Another issue that we're dealing with is 08: 29: 25  
18 construction costs. I'm sure many of us in here 08: 29: 29  
19 realize that construction costs have increased at a 08: 29: 33  
20 greater rate than inflation, which really hurts the 08: 29: 36  
21 purchasing power of transportation dollars. 08: 29: 39

22 What I've got here is just a snapshot of 08: 29: 41  
23 where public transportation dollars come from. And 08: 29: 48  
24 this is essentially 19 -- or 2004 data. Since this 08: 29: 53  
25 time there's been, I believe, 26 of 34 states have 08: 29: 58

1 passed initiatives, so the percentage coming from 08: 30: 02  
2 states has gone up. And what I could count, and it may 08: 30: 06  
3 be more, there's at least ten initiatives, or valid 08: 30: 11  
4 initiatives that either were on the ballots or will be 08: 30: 14  
5 on ballots in the near future. 08: 30: 17

6 I guess I've got one minute. Let me move 08: 30: 19  
7 fairly quickly here. 08: 30: 25

8 I left this without numbers on it. And we 08: 30: 27  
9 can argue about funding gaps. You hear different 08: 30: 31  
10 numbers. I've actually heard numbers as great as 08: 30: 33  
11 \$300 billion as a funding gap, and that was from 08: 30: 40  
12 non-governmental sources. 08: 30: 40

13 But again, I think we can all agree that 08: 30: 41  
14 there is some sort of funding gap. 08: 30: 44

15 Since the passage of ISTEA in 1991, there's 08: 30: 46  
16 been a trend in legislation towards flexibility of 08: 30: 54  
17 Federal funds, innovative financing, and essentially 08: 30: 58  
18 using tolling as a tool. 08: 31: 03

19 Now, I don't want to go through these slides 08: 31: 05  
20 in very much detail, but I'm going to race through them 08: 31: 07  
21 in the last minute I have. 08: 31: 10

22 Essentially what ISTEA -- what ISTEA did is 08: 31: 11  
23 it established tolling. Acknowledged tolling as a 08: 31: 18  
24 viable tool, and it also allowed certain conditions 08: 31: 21  
25 where Federal funds could be used with toll loans, and 08: 31: 25

1 to pay them off, and also pilot programs that would 08: 31: 30  
2 potentially reduce congestion. It made that link. 08: 31: 35

3 National Highway System Act came about 1995. 08: 31: 39  
4 It established a state infrastructure bank program, 08: 31: 44  
5 which is a revolving fund, created a variety of Federal 08: 31: 47  
6 options to match Federal funds with, and it also 08: 31: 51  
7 provided the ability to use Federal aid to relieve the 08: 31: 53  
8 cost of debt financing, with future Federal aid. You 08: 31: 56  
9 may have heard the term garby bonds. And that's what 08: 32: 00  
10 those were. 08: 32: 03

11 1998, Transportation Equity Act. Again, 08: 32: 03  
12 provided credit assistance for major projects. And 08: 32: 12  
13 expanded previous changes in the law, but it also 08: 32: 15  
14 allowed tolling pilots on the interstate system. 08: 32: 18

15 Most recently, under SAFETEA-LU, it makes 08: 32: 21  
16 standard practice of the state infrastructure bank 08: 32: 25  
17 program. Tax exempt bonds with Federal aid, and 08: 32: 28  
18 further expanded tolling on the interstate for new 08: 32: 34  
19 interstates as a pilot program. 08: 32: 37

20 I know I'm going real fast. But to finish, 08: 32: 39  
21 what I'd like to say is, SAFETEA-LU will expire 08: 32: 44  
22 September 30th, 2009. Within SAFETEA-LU there is a 08: 32: 48  
23 Section 1909, which establishes this National Surface 08: 32: 52  
24 Transportation Policy and Revenue Study. That's that 08: 32: 56  
25 12-member Commission, you may have heard about, to deal 08: 32: 59



1 with national transportation policy. Mary Peters, the 08: 33: 06  
2 Secretary of Transportation is the chairman of that 08: 33: 07  
3 Commission. And the product of it is going to be a 08: 33: 10  
4 report. And what the hope is is that it's going to 08: 33: 13  
5 essentially be used for public and congressional debate 08: 33: 15  
6 in national transportation policy in the future. 08: 33: 20

7 Again, I want to thank you for your time, 08: 33: 22  
8 and I look forward to your questions. 08: 33: 29

9 MR. TED KNOWLTON: Turning from the Federal 08: 33: 38  
10 perspective, and now to the experience of other states, 08: 33: 40  
11 with us today is Tom Warne, president of Tom Warne & 08: 33: 44  
12 Associates. Mr. Warne was the executive director of 08: 33: 47  
13 the Utah Department of Transportation from 1995 to 08: 33: 52  
14 2001. 08: 33: 55

15 Tom has a bachelor's of science in civil 08: 33: 56  
16 engineering from Brigham Young University and a 08: 34: 01  
17 master's in civil engineering from Arizona State 08: 34: 03  
18 University. 08: 34: 06

19 Tom, thanks so much for being with us here 08: 34: 06  
20 today. And you have five minutes. 08: 34: 10

21 MR. WARNE: Thank you, Ted. 08: 34: 13

22 Lieutenant Governor Herbert, Chairman Brown, 08: 34: 17  
23 members of the Commission, it's a pleasure to be here 08: 34: 21  
24 to talk about a very important topic for our state. 08: 34: 23

25 My purpose here is to share with you the 08: 34: 26

1 perspective of the -- what the other states are doing.

08: 34: 29

2           You've heard Butch's presentation about the  
3 Federal picture. And I have to say, just really, in  
4 one sentence here, we can't rely on the Federal funds  
5 that we have had in the past to solve our  
6 transportation problems today.

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08: 34: 45

7           We'll appreciate every dollar that comes  
8 through the Federal process, but many of our solutions  
9 are going to have to be found right here in the state  
10 of Utah.

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11           I put this slide up here. This is actually  
12 a slide of the ballot initiatives that have been  
13 tracked through this latest election cycle. Actually,  
14 we've been tracking, over the last year, 48 different  
15 initiatives in 13 states. And they range from a sales  
16 tax initiatives to initiatives that relate to bonding.  
17 They relate to highway projects, transit projects, and  
18 other things.

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19           What's interesting, and as -- is you'll note  
20 that there is quite a gathering of states in the West  
21 that are doing this. A -- largely a function of the  
22 population congestion issues that we face.

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23           The Commission has a handout, and there are  
24 additional copies of this handout that we've provided.  
25 But if you'll go back to the third page, you'll

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1 actually see the listing of all of the ballot  
2 initiatives and their current status.

3 So far, 29 are shown as having been  
4 approved. There are three that are yet to be decided  
5 out of the 48. So it represents about two-thirds of  
6 the ballot initiatives on transportation matters,  
7 actually were approved through the election this week.

8 This is found in our weekly newsletter, Tom  
9 Warne Report, which is available on our Web site, for  
10 those that don't get a copy of the handout.

11 A couple of trends that I would like to note  
12 here, is that if you look at the funding sources, we  
13 recently did a study in another state where we came up  
14 with 50 different ways to raise revenue for  
15 transportation. But when it comes right down to it,  
16 there are only about three or four that raised  
17 substantial dollars. You can raise the gas tax, you  
18 can use a sales tax, you can do something with fees, or  
19 you can basically raise tolls.

20 Those are the only ones that raise  
21 substantial amounts of dollars. Yes, you can put  
22 advertising on buses. That was the one of the things  
23 that somebody said in the study we did. And that  
24 raises about five bucks. I mean, you've got to focus  
25 on the things that really raise money. And as it turns

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1 out, those are the things that will really bring the 08: 36: 52  
2 revenues to you. 08: 36: 54

3 What you're going to find is that no matter 08: 36: 55  
4 what revenue stream you pick, and this is true across 08: 36: 58  
5 the country, there are going to be those that oppose 08: 37: 00  
6 that revenue stream. And you could tell me a revenue 08: 37: 03  
7 stream, and you pick one, and I'll tell you who's going 08: 37: 06  
8 to oppose it right now. What you're going to face. 08: 37: 08  
9 What our Legislature is going to face is you're going 08: 37: 10  
10 to have to pick a revenue stream that some people are 08: 37: 12  
11 not going to support, because there will not be 08: 37: 16  
12 unanimity, no matter which course you select. 08: 37: 17

13 What's interesting, and what's happening in 08: 37: 19  
14 the state, and there was this reliance early on for 08: 37: 22  
15 national dollars, the Federal dollars that Butch talked 08: 37: 25  
16 about. Then it went to the state dollars. But if you 08: 37: 34  
17 look at the initiatives that are represented on this 08: 37: 34  
18 chart here, in fact, that the trend is from national to 08: 37: 34  
19 state legislative provided money, state-wide dollars, 08: 37: 36  
20 to actually going to local and user dollars. 08: 37: 39

21 A good example is what's going on in 08: 37: 43  
22 California today, where the counties -- they call it 08: 37: 44  
23 the self-help county program, where the counties are 08: 37: 47  
24 actually solving their own transportation problems by 08: 37: 49  
25 taxing themselves. 08: 37: 52

1 I'd like to go to the next slide. Am I  
2 controlling this? Okay.

3 Our time is short. I just wanted to show  
4 you this particular slide. One of the things that you  
5 see nationally, as a very, very strong trend, and  
6 that's the subject of our discussion here today, is the  
7 notion of toll roads. We created this map. All of the  
8 states that have P3 legislation. Public partnership,  
9 public legislation. There are actually 28 states that  
10 have legislation on that matter.

11 We also put, on this particular chart, all  
12 of the states that currently are toll roads, or toll  
13 bridges, or some other type of toll facility. And what  
14 you find is that about 80 percent of the states in the  
15 country actually have some type of facility like this.

16 I know that you represented that the  
17 discussions you're having today represent some new  
18 thought. That Utah is somehow on the edge of a new  
19 concept of tolling, or having a user pay system. But  
20 what I wanted to show you with this particular slide is  
21 nationally the trend is towards finding other ways to  
22 solve the financial problems that they face in  
23 transportation. Yes, they're appreciative of every  
24 Federal dollar Butch brings to them, but they are  
25 taxing themselves through the initiatives on the first

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08: 38: 40  
08: 38: 42  
08: 38: 45  
08: 38: 49  
08: 38: 53  
08: 38: 56  
08: 38: 58  
08: 39: 01  
08: 39: 03

1 map that I provided to you. But if you look at this 08: 39: 06  
2 particular map, you see that nationally, the trend is 08: 39: 08  
3 towards tolls, and the need to raise money at a local 08: 39: 12  
4 level, with users paying their way. 08: 39: 16

5 I appreciate the opportunity to be here. I 08: 39: 18  
6 look forward to the questions and the dialogue, and 08: 39: 21  
7 look forward to the solutions that you and the state 08: 39: 24  
8 Legislature find for resolving our transportation 08: 39: 26  
9 problems. 08: 39: 29

10 Thank you very much. 08: 39: 30

11 MR. KNOWLTON: With us today is 08: 39: 34  
12 Representative Rebecca Lockhart. 08: 39: 39

13 Representative Lockhart formerly served as 08: 39: 42  
14 the co-chair of Transportation Planning Task Force from 08: 39: 44  
15 2003 through 2004. She has a bachelor's of science in 08: 39: 47  
16 nursing from Brigham Young University. 08: 39: 51

17 Thank you so much, Representative Lockhart, 08: 39: 54  
18 for being here with us. You have five minutes. 08: 39: 56

19 REPRESENTATIVE LOCKHART: Thank you. Thank 08: 39: 58  
20 you for inviting me here, and allowing me to put 08: 40: 03  
21 forward some thoughts concerning state funding. 08: 40: 06

22 As the last two years have been banner 08: 40: 09  
23 years, we have seen increases in transportation funding 08: 40: 13  
24 like -- I guess like never before. And I've been very 08: 40: 18  
25 pleased to be a part of that. 08: 40: 21

1                   We created the TIF, which is the                   08: 40: 22  
2                   Transportation Investment Fund. We were able to get                   08: 40: 25  
3                   Legacy back on-line and put the money there where it                   08: 40: 29  
4                   needs to be so that we can get that highway done.                   08: 40: 31

5                   I guess it's a parkway. It's a parkway.                   08: 40: 33

6                   We were actually able, last year, to avoid                   08: 40: 37  
7                   having to bond in the Centennial Highway Fund, which                   08: 40: 40  
8                   is, as state Legislature, we were very concerned about                   08: 40: 45  
9                   the amount of debt that's being carried in these areas.                   08: 40: 48  
10                  So we were able to do that.                   08: 40: 51

11                  And one of the things that I'm most happy                   08: 40: 52  
12                  about is that both Prop 3, I believe it was up here,                   08: 40: 54  
13                  and the opinion question in Utah County passed this                   08: 40: 59  
14                  last week. And might I just say, having -- because I'm                   08: 41: 01  
15                  from Utah County, I hope now that all of this talk                   08: 41: 05  
16                  about Utah County not willing to come to the table will                   08: 41: 08  
17                  now be over. Because I believe -- I haven't checked                   08: 41: 10  
18                  for sure, but I believe the opinion question passed by                   08: 41: 15  
19                  a higher percentage in Utah County than Prop 3 did in                   08: 41: 17  
20                  Salt Lake County.                   08: 41: 21

21                  So when Utah County sees the need, they are                   08: 41: 21  
22                  willing to come to the table and be part of the                   08: 41: 25  
23                  solution.                   08: 41: 28

24                  My greatest concern is that, because we've                   08: 41: 28  
25                  had two great years, the Legislature and the public in                   08: 41: 35

1       general are going to think that their job is done.

08: 41: 41

2       That we've found all of this money, yeah, we can build  
3       all of our roads and build our light rail and commuter  
4       rail and we're done. Let's move on to something else.

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08: 41: 52

5               I think you've heard, and you will continue  
6       to hear from many of us that this is just plain not  
7       true. We have billions of dollars of needs still that  
8       will be unfunded, and so we have to continue to look  
9       for ways to find revenue.

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10              We also have something else coming up in  
11       this session that many of you need to be aware of. You  
12       probably heard a little bit about it. That is the  
13       spending cap. The spending cap is statutory. The  
14       Legislature put it in a few years ago. Well, it's been  
15       there forever, as far as I know, but we changed the way  
16       that we calculate the spending cap. And the spending  
17       cap allowance and revenues were kind of going like  
18       this. Well, we changed it, and this year is when  
19       they're going to cross. And so we're going to --  
20       you're going to see lots of discussions at the  
21       Legislature in terms of what that means. Which budgets  
22       are going to have to be reevaluated and reprioritized.

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23              The good news for transportation is that the  
24       Transportation Investment Fund is outside of that cap.  
25       That any money that goes there is not counted. So I'm

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08: 43: 00



1 happy about that, because transportation is such a 08: 43: 03  
2 critical need. But you will hear a lot of discussion 08: 43: 08  
3 about that issue. 08: 43: 11

4 The other thing, that isn't transportation 08: 43: 13  
5 related but that you need to know, is that spending and 08: 43: 15  
6 public education is also outside of that cap. So we're 08: 43: 19  
7 able to put more in that area of the budget. 08: 43: 23

8 In terms of potential, like I said, the 08: 43: 27  
9 Legislature, I think, in many cases, seems to -- is 08: 43: 34  
10 beginning to feel like they've done the hard work. 08: 43: 39  
11 They've done their job. We've put so much there, it's 08: 43: 41  
12 time to move on. 08: 43: 44

13 And if I could ask all of you, the 08: 43: 45  
14 Commission, as well as members of the public and other 08: 43: 46  
15 government officials, the message has to be gotten out 08: 43: 49  
16 that this is -- we're not done. That we still have 08: 43: 53  
17 significant need. 08: 43: 56

18 And we talk about the gas tax. And I'll 08: 43: 57  
19 just tell you straight out, there's not a lot of 08: 43: 59  
20 support in the Legislature for raising gas taxes. It's 08: 44: 01  
21 a dying revenue source, and we're looking at more 08: 44: 05  
22 innovative and more forward-looking ways of funding 08: 44: 09  
23 transportation. 08: 44: 14

24 Tolling. The Legislature did not -- there's 08: 44: 14  
25 always been tolling in Utah. We've had a toll road in 08: 44: 18

1 Utah that most people don't know about. But the 08: 44: 21  
2 Legislature passed legislation that didn't say, You 08: 44: 23  
3 will toll, it said to the Commission, You may toll. 08: 44: 28  
4 And the commissioners, with their great knowledge and 08: 44: 32  
5 expertise, have the ability to make that decision as to 08: 44: 34  
6 whether or not tolling is appropriate, and which 08: 44: 39  
7 facilities. So I believe the Legislature showed some 08: 44: 43  
8 significant trust and belief in the Commission, and 08: 44: 46  
9 their abilities to make the right decisions. 08: 44: 52

10 Legislatures are good at a lot of things, 08: 44: 54  
11 but we're not necessarily transportation gurus, and so 08: 44: 57  
12 we've left that up to the Commission to make that 08: 45: 01  
13 decision. 08: 45: 04

14 What I'd like to see happen, obviously we're 08: 45: 05  
15 not going to be relying on the Federal monies as we 08: 45: 07  
16 have in the past. In fact, I'm one of those 08: 45: 11  
17 individuals who would prefer that the Federal 08: 45: 13  
18 government give us back our gas tax monies so that the 08: 45: 15  
19 states can use it as they see fit. As with anything, 08: 45: 20  
20 and even though locals will complain about the state 08: 45: 23  
21 funds that we send, the higher level government entity 08: 45: 28  
22 money, and then it comes back to them with a bunch of 08: 45: 29  
23 strings attached. I believe that the states are better 08: 45: 31  
24 able to address their needs without the strings 08: 45: 34  
25 attached to all of the money that comes from the 08: 45: 36

1 Federal government. So we'll be looking at that.

08: 45: 39

2 I don't -- I don't have any delusions that  
3 that's going to actually come to pass, but it sure  
4 would be a nice thing for the states to get some more  
5 control of that gas tax money.

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6 My goal for this next session is to continue  
7 to work on the ear-marking issue. To continue to set  
8 aside sales tax into transportation.

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9 The tax Commission says about 17 percent of  
10 our sales tax comes from vehicle purchases and related  
11 to vehicles. I think that ought to be our goal, is  
12 that that money goes directly to transportation. And  
13 so we'll be working on that. And that, by the way, is  
14 not a tax increase. That's just a shift in the  
15 dedication of existing revenue, which, as a Republican,  
16 that's always good for me, if you don't have to raise a  
17 tax. So with that, thank you very much.

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18 MR. KNOWLTON: Thank you,  
19 Representative Lockhart.

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20 Turning from state issues to the perspective  
21 of the Metropolitan Planning Organization, today with  
22 us, here with us today is Mayor Dennis Nordfelt. Mayor  
23 of West Valley City, and the current chair of the  
24 Wasatch Front Regional Counsel.

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25 Mayor Nordfelt was the Utah Highway Patrol

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1 superintendent from 1981 to '87. He has been the mayor  
2 of West Valley City since 2002. He is also the  
3 vice-chairman of the Salt Lake County Council of  
4 Governments.

5 Thank you very much, Mayor Nordfelt, for  
6 being here with us today. You have five minutes.

7 MAYOR DENNIS NORDFELT: Thank you.

8 Lieutenant Governor. Members of the  
9 Commission. Thank you for this opportunity.

10 Lieutenant Governor. You're a piker. We  
11 just had our 27th grandchild, and I've reached the  
12 point that it doesn't cost me any sleep at all when one  
13 of them comes. I just wait until the next morning.

14 Commissioners, I don't think I'm going to  
15 tell you anything you don't already know. I don't plan  
16 to. And I really want to be helpful. I don't want to  
17 make your very difficult job even more difficult. I  
18 acknowledge that you have a great responsibility, and a  
19 great opportunity.

20 I just want to make a few comments from the  
21 perspective of a local elected official, as well as  
22 from the Metropolitan Planning Organization. And I'll  
23 try and differentiate when I've got my MPO hat on and  
24 when I've got my mayor's hat on.

25 And I see that we have Mayor Crane from

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08: 47: 56  
08: 48: 00  
08: 48: 03  
08: 48: 08  
08: 48: 10

1 Herriman, and I saw Mayor Newton come in from West 08: 48: 12  
2 Jordan back there. And Mayor Wall from Taylorsville, 08: 48: 16  
3 and Mayor Money from South Jordan. All of the west 08: 48: 20  
4 side mayors, through which the Mountain View Corridor 08: 48: 22  
5 will pass, or come close to. 08: 48: 25

6 And I want you mayors to remember the 08: 48: 27  
7 instructions that you were given, to use decorum. 08: 48: 29

8 I do have some personal opinions, and they 08: 48: 34  
9 will be different from my representation from the 08: 48: 38  
10 region council. 08: 48: 42

11 As you know, the Wasatch Front Region 08: 48: 43  
12 Council works with UDOT, UTA, and the other MPOs in 08: 48: 45  
13 determining what transportation projects are needed in 08: 48: 49  
14 the state, and in the region. 08: 49: 00

15 Our long range transportation plan has 08: 49: 00  
16 identified the projects that we believe are needed in 08: 49: 00  
17 the region in the next 25 years. 08: 49: 01

18 One thing that is hard for people to 08: 49: 04  
19 understand is that if all of these projects were built, 08: 49: 08  
20 every single one of them, on the plan, were built, it 08: 49: 11  
21 would not reduce congestion. And people say, Well, why 08: 49: 14  
22 do you have a plan that doesn't reduce congestion? 08: 49: 18  
23 And the reason is because the plan has to be 08: 49: 22  
24 financially constrained. All of the projects that are 08: 49: 23  
25 on this long-range transportation plan cannot be funded 08: 49: 26

1 with the existing sources for transportation revenue. 08: 49: 31  
2 It's going to take additional revenue to fund those. 08: 49: 34  
3 And if you do fund those, or if they are funded, it 08: 49: 37  
4 still will not alleviate congestion. 08: 49: 41

5 So in order to be constrained, the Wasatch 08: 49: 44  
6 Front Regional Council and the Mountain Land 08: 49: 48  
7 Association of Governments, two years ago, did an 08: 49: 51  
8 unprecedented thing. We passed a joint resolution that 08: 49: 53  
9 was unanimously approved by both MPOs. And we 08: 49: 56  
10 identified some ways of raising money for 08: 50: 00  
11 transportation projects in that resolution. And those 08: 50: 05  
12 ways of raising additional revenues included tolling 08: 50: 09  
13 and HOV lanes, along with other things. 08: 50: 12

14 Now, I'm sure that it won't come as news to 08: 50: 15  
15 you that tolling, especially for the Mountain View 08: 50: 20  
16 Corridor, is a controversial issue. I don't know of 08: 50: 23  
17 anybody that's really out lobbying saying, You've got 08: 50: 25  
18 to toll us. You've got to toll us. Nobody's doing 08: 50: 28  
19 that. 08: 50: 31

20 There's some that understand that that might 08: 50: 31  
21 be necessary, and there are some that are even saying 08: 50: 33  
22 it would be okay to do that, but nobody's lobbying for 08: 50: 37  
23 it. 08: 50: 39

24 I would recommend a couple of things that, 08: 50: 40  
25 if you do decide to make the Mountain View Corridor a 08: 50: 43

1 toll road, I would recommend two things that you do in 08: 50: 47  
2 addition to that. Not that you do, but two things that 08: 50: 50  
3 could be done. 08: 50: 53

4 And one is something that you, as 08: 50: 53  
5 commissioners, have no control over, but 08: 50: 55  
6 Representative Lockhart and the Legislature does have 08: 50: 57  
7 control over that. And that is that in addition to 08: 51: 00  
8 those things that have already been done, that other 08: 51: 03  
9 things can be done by the Legislature, to raise 08: 51: 07  
10 additional revenues. It would be more palatable to 08: 51: 12  
11 those people that would use the Mountain View Corridor 08: 51: 15  
12 if they would know -- if they knew that other things 08: 51: 17  
13 that can be done are being done to fund transportation 08: 51: 19  
14 infrastructure. 08: 51: 23

15 The second thing is something that you, as 08: 51: 24  
16 commissioners, do have some control over, although I 08: 51: 26  
17 know that it's easier said than done. And that is 08: 51: 29  
18 to -- if you identify the Mountain View Corridor as a 08: 51: 33  
19 tolling facility, identify some other projects as 08: 51: 36  
20 tolling facilities at the same time. So that you're 08: 51: 41  
21 not showing that one toll road, and impacting one group 08: 51: 44  
22 of people. It would be well if it could show that 08: 51: 48  
23 tolling would impact everyone in the state, if that is, 08: 51: 51  
24 in fact, what you are going to do. 08: 51: 54

25 Speaking as the mayor of West Valley City, I 08: 51: 56

1 would like to see some additional consideration given 08: 52: 03  
2 to local funds. I know that we get the B and C road 08: 52: 05  
3 funds, but I'm sure I don't just speak for myself, but 08: 52: 10  
4 throughout the state, the cities and the counties are 08: 52: 13  
5 using their general funds. Funds that could be well 08: 52: 15  
6 used to provide other city services like law 08: 52: 18  
7 enforcement, and fire protection, and repairing the 08: 52: 21  
8 potholes in our streets, that we're using our general 08: 52: 24  
9 funds to keep up with the growth, and we need 08: 52: 27  
10 additional opportunities for funding at the local level 08: 52: 30  
11 as well. 08: 52: 32

12 I'll give you two conclusions. One from the 08: 52: 33  
13 Wasatch Front Region Council, and that is, as a 08: 52: 35  
14 council, we have taken no position with regard to 08: 52: 38  
15 tolling of the Wasatch -- or of the Mountain View 08: 52: 41  
16 Corridor. We do believe that tolling is an option that 08: 52: 45  
17 needs to be looked at. 08: 52: 48

18 My personal opinion is that, given the cost 08: 52: 50  
19 of the Mountain View Corridor, how much that project is 08: 52: 53  
20 going to cost, if it's going to be completed in a 08: 52: 57  
21 timely manner, I recognize that innovative methods for 08: 53: 00  
22 funding that corridor are going to have to be used. 08: 53: 05  
23 And that may include tolling. And if it does, I would 08: 53: 08  
24 rather have a toll road than no road at all. 08: 53: 11

25 Thank you. 08: 53: 14



1	MR. KNOWLTON: Thank you, Mayor Nordfelt.	08: 53: 19
2	Next we will hear from Commissioner Larry	08: 53: 23
3	Ellertson of the Utah County Commission. Commissioner	08: 53: 26
4	Ellertson was the mayor of Lindon City from 1996 to	08: 53: 29
5	2005. Currently serves as the Utah County Commission	08: 53: 41
6	chairman, chairman of the Utah County Council of	08: 53: 41
7	Governments, and chairman of the Utah State Citizen	08: 53: 41
8	Corps Council.	08: 53: 43
9	Thanks very much, Commissioner Ellertson,	08: 53: 44
10	for being here with us today. You have five minutes.	08: 53: 48
11	COMMISSIONER ELLERTSON: Thank you. I	08: 53: 53
12	appreciate the opportunity of being here today. I	08: 53: 54
13	don't know that I appreciate being "here" today,	08: 53: 57
14	however.	08: 53: 58
15	I think this is obviously something of great	08: 53: 59
16	import to us in our state, as we look at the issue of	08: 54: 01
17	transportation funding, and how we crack that nut, so	08: 54: 05
18	to speak.	08: 54: 08
19	I commend the efforts of the Legislature	08: 54: 09
20	over the past few years, first off, for recognizing the	08: 54: 13
21	need to look at the issue, and identifying some of the	08: 54: 16
22	possibilities that we have, or that we may need to	08: 54: 21
23	consider in terms of funding.	08: 54: 25
24	One of the things that they did is they	08: 54: 26
25	identified a problem in terms of a gap in the amount of	08: 54: 28

1 funding that will be available over the next -- well,  
2 at this point we're probably about 24 years, but I  
3 think between now and 23. And that's a significant  
4 amount of money.

5 I think the premise that I would leave with  
6 you today --

7 First off, I need to give this -- this  
8 disclaimer. Understand that, as I speak, I can't speak  
9 for anybody other than myself. I have to have at least  
10 one other vote, generally speaking. And in the case of  
11 representing counties here today, there are 29  
12 different counties. So I'll give you some general  
13 information, but most of what I'm going to say is Larry  
14 Ellertson's take on what I've heard on this task.

15 The think that what I think is important for  
16 us to understand is regardless of the way that we  
17 choose to fund Mountain View Corridor, or any of our  
18 other transportation needs, that when -- at the end of  
19 the day, it's you and me that pay for everything.  
20 Nobody else does. The consumers, the taxpayers pay for  
21 it all. Tolling isn't really a silver bullet in the  
22 sense that somebody else is paying for it. They're  
23 funding it up front, but you and I are going to pay for  
24 it. And I think we all need to understand that. Some  
25 way, we're going to pay for it, whether it's sales tax,

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08: 55: 42  
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1 whether it's fuel tax, whether it's a toll, whatever it 08: 55: 47  
2 may be. 08: 55: 51

3 With that in mind, I think it's important 08: 55: 52  
4 that as we look at the decision of tolling, that we 08: 55: 55  
5 understand the potential for the precedent that may be 08: 55: 59  
6 set, and say, is that really the road we want to go 08: 56: 02  
7 down as we look to the future of transportation 08: 56: 05  
8 funding? 08: 56: 08

9 At some point in time, we've got to step up 08: 56: 08  
10 and be willing to admit the fact that we've got a 08: 56: 13  
11 serious problem. Sometime, we need to say that we've 08: 56: 19  
12 got to have -- I guess, doing some quick math, the 08: 56: 23  
13 equivalent of a two-cent sales tax that will raise 08: 56: 26  
14 about a billion dollars a year to go into solving our 08: 56: 31  
15 long-range problem. 08: 56: 33

16 How's the best way of doing that? Do you 08: 56: 35  
17 want to do it as you drive on the road, or do you want 08: 56: 39  
18 to share the fact that everyone benefits in the roads, 08: 56: 42  
19 regardless of where they're built? Even though 08: 56: 45  
20 Washington County may say they don't benefit by a 08: 56: 49  
21 general tax in terms of it being applied to Mountain 08: 56: 53  
22 View Corridor, I think the suggestion would be that 08: 56: 57  
23 there are many dollars that have gone to Washington 08: 56: 59  
24 County from the Wasatch Front to help them fund their 08: 57: 01  
25 roads over the past years, and will continue to in the 08: 57: 04

1 future.

08: 57: 06

2 So do we do it from a general standpoint, or  
3 do they do it from tolling? Either way, we're all  
4 going to pay for it. And I would hope that we could  
5 look at it, as we go to the future, and say, How's the  
6 best way of funding this billion-dollar-a-year need  
7 that we have?

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8 Mountain View is part of that.

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9 It's important, I think, that as we go  
10 forward in any funding mechanism, that we discipline  
11 ourselves to use science and good judgement in  
12 determining the priority and the placement of dollars  
13 to be spent. We don't need to waste it.

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14 Everyone wants their share. I understand.  
15 That's why we need to depoliticize, if that's a word,  
16 the process of allocating dollars to fund our  
17 transportation needs, and use the good science that  
18 puts it where it really needs to be. And I believe  
19 that we will all benefit from it, the entire state, if  
20 we once do that.

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21 We -- whether I use a road, whether I use a  
22 bus or not, I benefit from the fact that someone else  
23 does; and, therefore, I'm willing to help pay for that.  
24 I think we need to look at that as we address this  
25 question.

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1	Thank you.	08: 58: 18
2	MR. KNOWLTON: Thank you to our panelists.	08: 58: 25
3	I'd like to turn the time over to Commissioner Brown to	08: 58: 26
4	facilitate follow-up questions from the Transportation	08: 58: 29
5	Commission.	08: 58: 33
6	Commissioner Brown.	08: 58: 33
7	COMMISSIONER BROWN: Thank you. We	08: 58: 34
8	appreciate, again, the efforts of our panelists, for	08: 58: 36
9	your insight and your input today.	08: 58: 39
10	I think I'll probably start with	08: 58: 44
11	Commissioner Lewis, if he has any questions, and maybe	08: 58: 46
12	go around the group here.	08: 58: 49
13	Commissioner Lewis?	08: 58: 51
14	Maybe make sure you address your question to	08: 58: 53
15	who you'd like to respond, or whether you want all of	08: 58: 55
16	them to respond.	08: 58: 58
17	COMMISSIONER LEWIS: Thank you, chairman.	08: 59: 00
18	I did have a question. I was wondering, in	08: 59: 03
19	regards to the financing on the Legislature, the	08: 59: 08
20	reasons that they were not interested in a gas tax	08: 59: 13
21	increase, and their -- it's a user fee, and I was just	08: 59: 17
22	wondering what that -- what would be -- whoever would	08: 59: 22
23	like to answer that.	08: 59: 25
24	REPRESENTATIVE LOCKHART: Whoever.	08: 59: 30
25	As the task force looked at gas tax -- you	08: 59: 33

1 know, we've always relied on the gas tax. That's 08:59:37  
2 basically what funds what all of you do on the 08:59:39  
3 Commission. The gas tax, especially in Utah, not so 08:59:42  
4 much in other places, but in Utah, it's a per-gallon 08:59:48  
5 flat fee, if you will. It's not attached to inflation. 08:59:52  
6 It's not -- it has no growth factor at all. So every 08:59:56  
7 time we put a nickel on, within just a few years, you 08:59:59  
8 lose any increment growth capacity to have it be -- 09:00:04  
9 make a difference. And so that's one of the problems 09:00:10  
10 with it. And frankly, politically speaking, do a 09:00:12  
11 nickel gas tax, that's a hit to the Legislature. The 09:00:19  
12 Legislature, you know, just raised your taxes a nickel 09:00:22  
13 per gallon. But if you then -- if you then attach a 09:00:26  
14 sales tax, or you index it for inflation, then -- I see 09:00:30  
15 maybe someone from the press is here. -- then every 09:00:35  
16 single year, the Legislature raised your taxes. 09:00:37  
17 Because it goes up with inflation. So politically 09:00:41  
18 speaking, it's a hard sell. 09:00:45

19 Second, we have more fuel efficient 09:00:48  
20 vehicles, alternate fuel vehicles, that don't pay the 09:00:52  
21 gas tax, if you will. And I believe we will come to a 09:00:55  
22 time when many people will have natural gas, or 09:00:59  
23 electric hybrid, and they're going to pull their car 09:01:03  
24 into the garage and plug it in, or, you know, fill it 09:01:07  
25 up, and never pay a gas tax, or pay a very minimal gas 09:01:10

1 tax, the gas tax that we're used to. But they're 09:01:14  
2 driving just as much as everyone else. And so, for 09:01:17  
3 those reasons that I believe the gas tax is dying as 09:01:20  
4 a -- as the revenue source that we need to rely on, and 09:01:24  
5 we need to look at other options. 09:01:27

6 COMMISSIONER LEWIS: Thank you. 09:01:30

7 COMMISSIONER BROWN: Commissioner Wilson. 09:01:32

8 COMMISSIONER WILSON: Representative 09:01:34  
9 Lockhart, on the surplus in the state budget, how do 09:01:36  
10 you see that being distributed out, and is there a 09:01:43  
11 likelihood that transportation needs will participate 09:01:49  
12 in those surpluses as they are today, or could be in 09:01:53  
13 the future? 09:01:56

14 REPRESENTATIVE LOCKHART: As I mentioned 09:01:57  
15 before, a TIF is outside of the spending cap, and -- as 09:02:00  
16 well as public ed. And so I think you will see, 09:02:06  
17 because of the surpluses, which is a word I use very 09:02:08  
18 loosely, because it's more complicated than just saying 09:02:14  
19 you have a surplus, because it's in various different 09:02:16  
20 places. But I believe you'll see increases significant 09:02:19  
21 in public ed, and hopefully in transportation. 09:02:23

22 One of the -- one of the stories that needs 09:02:26  
23 to be told, and what we, as people who care about 09:02:29  
24 transportation need to make sure happens, is that 09:02:34  
25 legislatures understand the job is not done. That the 09:02:36

1 money that can't be spent, if you will, under the 09:02:43  
2 spending cap, instead of looking at raising the 09:02:46  
3 spending cap, or putting it in other places, there's 09:02:50  
4 somewhere they can put it, and it's called 09:02:54  
5 transportation. And isn't that great? Because that's 09:02:57  
6 where it needs to go. 09:02:59

7 And so I'm going to be making that case. 09:03:00  
8 Others who care about this issue are going to be making 09:03:02  
9 that case. We just need more people to get that 09:03:07  
10 message out so that case is made. Because those are 09:03:08  
11 the two areas where we can put surplus money, outside 09:03:10  
12 of the cap. 09:03:14

13 COMMISSIONER WILSON: Thank you. 09:03:15

14 COMMISSIONER BROWN: Commissioner Bodily. 09:03:17

15 COMMISSIONER BODILY: I'd like to direct 09:03:20  
16 this question to Mayor Nordfelt and Commissioner 09:03:22  
17 Ellertson. 09:03:25

18 You represent two counties that had 09:03:26  
19 initiatives on the ballot this week. 09:03:33

20 By the passage of those initiatives, do you 09:03:37  
21 feel that there might be an expectancy on the part of 09:03:41  
22 the citizens of your counties to resist a tolling 09:03:46  
23 proposition on the Mountain View Corridor, inasmuch as 09:03:54  
24 they'll feel like they've -- they've stepped up and 09:04:00  
25 made their contribution? Are we, by going to tolling 09:04:03



1       there, would we be ganging up on them, so to speak, and  
2       demanding money from two different sources?

3               MR. NORDFELT:   The answer is yes.   I do  
4       anticipate that.   And it's a legitimate position.

5               25 percent of the additional funds that will  
6       be raised by the passage of Proposition 3 in Salt Lake  
7       County will be dedicated to purchasing right-of-way for  
8       the Mountain View Corridor.   So then if you have to pay  
9       again to use it, you've had to pay twice to use that  
10      particular facility.   So it's a legitimate position for  
11     the citizens of Salt Lake County to take.

12              COMMISSIONER ELLERTSON:   I certainly  
13     wouldn't contradict what my good friend Mayor Nordfelt  
14     has said.   I think the key in all of this is to educate  
15     the public, and help them better understand, one, what  
16     the problem is; and secondly, how they play into it.   I  
17     don't know that they would make necessarily different  
18     decisions than we would make, if they knew the  
19     information, had the information, but I think there is  
20     a tendency, certainly in Salt Lake County, to believe  
21     that they have stepped up in terms of their investment  
22     in Mountain View.   Utah County isn't as directly  
23     involved in that regard.   I don't know if that  
24     particularly would play into their thinking, but I  
25     think it definitely would here in Salt Lake.

1 COMMISSIONER BROWN: Tom, would you like to 09:05:30  
2 respond to that same question? 09:05:32

3 MR. WARNE: Yes, I would. And it's an 09:05:33  
4 interesting question, because we can then present the 09:05:35  
5 case, where does the public choose one or the other. 09:05:39  
6 And as I thought through the 48 initiatives, and not 09:05:49  
7 all had a direct correlation or relationship between a 09:05:49  
8 toll road and another initiative to raise funds, say, 09:05:49  
9 from a sales tax, but they actually seem to have been 09:05:51  
10 very independent, as I think through the initiatives 09:05:54  
11 around the country, where people seem to support a toll 09:05:58  
12 on a particular project, but they also seem to support 09:06:02  
13 a ballot initiative for a sales tax for other work. 09:06:06  
14 They seem to be able to separate the two and recognize 09:06:09  
15 the difference. 09:06:11

16 COMMISSIONER BROWN: Commissioner Wells. 09:06:15

17 COMMISSIONER WELLS: This question is for 09:06:17  
18 Tom. I'm just wondering, you talked about 50 different 09:06:19  
19 methods for raising dollars for funding for 09:06:23  
20 transportation. I'm just wondering if you could talk a 09:06:30  
21 little bit about the 40 that you related, and what some 09:06:32  
22 of the percentages are that -- why they're the big 09:06:37  
23 four. I'd like people to understand that. And I'd 09:06:39  
24 also like you to just tell us a little about the 09:06:41  
25 general attitude of tolling that you've encountered, as 09:06:43

1       you've traveled about the country.

09:06:46

2               MR. WARNE: We did this study, and there  
3       were about 50 different ways to raise money. And the  
4       top four generally end up being the gas tax. And as  
5       Representative Lockhart has suggested, that has been a  
6       standard revenue stream for us for many years. But  
7       it's one, a declining revenue in the sense of its  
8       buying power, but also here in the state.

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9               A nickel gas taxes raises 60 million. And  
10       when you start to think of the context of 60 million  
11       versus over \$20 billion worth of needs, you start to --  
12       to put it effective, you have to go way beyond a nickel  
13       gas tax to make a dent on anything here. And so while  
14       it does raise a lot of money, it doesn't raise enough.  
15       And there is a significant amount of cost to doing  
16       that.

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17              The sales tax is a very popular initiative  
18       around the country right now. We've used it somewhat  
19       here, and the initiatives have been focused on transit.  
20       But around the country, in fact, I would suggest that  
21       there are far more funds raised through sales tax for  
22       highways than there is for transit.

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23              When we look around the country, the  
24       billions of dollars, just in the Bay area alone, in  
25       2004, they raised almost \$20 billion via sales tax for

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1 highway projects as opposed to transit projects. So 09:08:05  
2 you have to be able to differentiate it in sales tax is 09:08:08  
3 not just a transit-oriented revenue stream. 09:08:10

4 The other one, indexing, probably falls on 09:08:14  
5 the low end of all four. While it raises more than 09:08:17  
6 signs on buses, it's not a significant revenue stream. 09:08:21  
7 And you tend to hit a lot of different people doing 09:08:24  
8 that. 09:08:27

9 And finally, what's happening around the 09:08:30  
10 country, as people recognize Federal funds aren't going 09:08:32  
11 to solve their problem, and you can just raise the 09:08:35  
12 sales tax just so much, and the gas tax just so much, 09:08:39  
13 the trend is on a user type system. And so you're 09:08:42  
14 seeing the tolls become a more and more prevalent 09:08:46  
15 revenue stream, recognition by people that that's a way 09:08:49  
16 to pay it. I think the comment that was made just a 09:08:52  
17 moment ago, no matter how you raise the money, there's 09:08:55  
18 only one place you get the money from, and it's really 09:08:58  
19 how you raise it. It all comes from us at the end of 09:09:02  
20 the day. 09:09:05

21 COMMISSIONER BROWN: Commissioner Warnick. 09:09:06

22 COMMISSIONER WARNICK: Several questions, 09:09:08  
23 but maybe let me follow up specifically with Tom, and 09:09:09  
24 your comment. 09:09:12

25 When we were in Texas, they used to talk 09:09:14

1 about free roads and toll roads. The comment was made,  
2 there's really no free roads. And I think that's a  
3 very important point, Mr. Ellertson, that you made.

4 Tom, do you have any specific examples of  
5 roads similar to Mountain View that -- where this kind  
6 of a discussion is being held, and whether the decision  
7 has been made to toll or not to toll in other states?  
8 Is there anything that comes to mind that might be  
9 representative of this?

10 MR. WARNE: Identical to the Mountain View,  
11 I -- there are some that are similar.

12 Washington State is looking at tolling some  
13 existing corridors, for example. Colorado continues to  
14 toll some new corridors there. Texas is tolling new  
15 corridors. The state of Virginia, for example, is very  
16 advanced in public/private ventures, and using tolls  
17 there. So there are lots of initiatives there. Some  
18 are related to brand new corridors, some are related to  
19 existing corridors. There are actually quite a few  
20 examples. And when you start to talk about Mountain  
21 View, you create a hybrid of all of the other examples  
22 that are around here.

23 COMMISSIONER BROWN: Anything else,  
24 Commissioner Warnick?

25 COMMISSIONER WARNICK: Yeah, maybe just a

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1 follow up.

09: 10: 32

2 Mayor Nordfelt, you mentioned that the MPO  
3 has not taken a position with respect to tolling of  
4 Mountain View; however, you also heard just maybe to  
5 consider other roads. Were there any specific roads  
6 that the MPO discussed that might be candidates for  
7 tolling that we should be considering along, at this  
8 time?

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9 MAYOR NORDFELT: I'm not aware of any within  
10 our region. I know that there's a planned project in  
11 Washington County that appears to be a likely  
12 candidate, but I'm not aware of any other in our  
13 region.

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14 My personal preference would be to toll  
15 I-15, but I know that's not possible.

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09: 11: 15

16 COMMISSIONER BROWN: Commissioner  
17 Millington?

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18 COMMISSIONER MILLINGTON: Thank you.

09: 11: 24

19 Both Mayor Nordfelt and Commissioner  
20 Ellertson mentioned that there -- we ought to do other  
21 things to raise money, or -- that was from Mayor  
22 Nordfelt. Commissioner Ellertson said, Is tolling  
23 really the precedent that we want to set? If we don't  
24 toll, where do we get the money? Because it's either  
25 tolled or taxed. And can you give us any comfort that

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1 politicians would have the appetite or the stomach for  
2 raising taxes if we don't toll?

3 COMMISSIONER ELLERTSON: Can I give you any  
4 comfort? I don't know that I can. I think it gets  
5 back again to what I mentioned a minute ago, on the  
6 education. I think part of the reluctance on the part  
7 of the politicians to tax is the reaction that you get  
8 from the public. And I'm not saying that's incorrect,  
9 I'm just saying that we need to make sure that we're  
10 all understanding this problem, and looking at it from  
11 the same way. That's not an easy thing to do.

12 In terms of the first part of your question,  
13 where would this come from? I know that, as I look at  
14 taxes that I pay, and I know that this doesn't square  
15 with everyone, but probably the one that seems to fit,  
16 and fit in this situation, may be a general sales tax.  
17 Because everyone that uses the roads, the tourists and  
18 everyone else, helps share that. It's not only the  
19 residents in the state of Utah that get to pay for that  
20 road.

21 And that being the case, if we all  
22 understood that, and we would take the bite. And as I  
23 said, I don't know that the math is 100 percent  
24 correct, but based on some information I have and doing  
25 some quick math, \$0.02 would be close to about the

1 amount that I'm -- you know, to solve the nut that the 09:13:24  
2 Legislature identified in their study. Is that 09:13:29  
3 something that I want? It may not be. However, that 09:13:32  
4 may still be the one that I would prefer, over a 09:13:35  
5 tolling. 09:13:38

6 See, I'm a cowboy, and I want the wide open 09:13:38  
7 spaces. I don't want to have to be gated and those 09:13:41  
8 kinds of things. I want to be able to ride where I 09:13:44  
9 want to ride, and not have to stop. 09:13:46

10 I was recently in Texas. And within the 09:13:49  
11 space of about three miles, I went through three toll 09:13:52  
12 booths. Do I want that? No way. I just question 09:13:55  
13 that that's really the way that people really want to 09:14:01  
14 fund their roads. And I think that if they understood 09:14:03  
15 that it's not free, everyone's going to pay, they may 09:14:07  
16 look for another source. 09:14:11

17 And I guess that's why I, you know, if you 09:14:12  
18 were to pin me down to a source, I'd like sales tax. I 09:14:14  
19 think what Tom just said, and I'll let him speak for 09:14:17  
20 himself, that raises a lot of money for roads. 09:14:20

21 MAYOR NORDFELT: I think the Legislature and 09:14:25  
22 the local elected officials have demonstrated a 09:14:27  
23 willingness to promote a tax for transportation 09:14:31  
24 infrastructure. 09:14:33

25 Just a little history on Proposition 3. 09:14:35



1 Before it became a sales tax issue, it was a property  
2 tax issue. And the Salt Lake County council, at the  
3 urging of all of the mayors in Salt Lake County, I  
4 believe it was unanimous, asked the Salt Lake County  
5 council to put it on the ballot as a property tax  
6 initiative. We were hopeful, when we did that, that  
7 the Legislature would go into special session and would  
8 approve a sales tax to replace it. But we were ready,  
9 we were not bluffing. We were ready to go forward with  
10 a property tax initiative if we had had the opportunity  
11 for a sales tax. And I believe that it was also  
12 unanimous that all of the elected officials in Salt  
13 Lake County were in support of Proposition 3. And it  
14 appears that the majority of the voters were too.

15 COMMISSIONER BROWN: Commissioner, any  
16 further questions?

17 COMMISSIONER MILLINGTON: Well, I just  
18 wonder about the gas tax. Representative Lockhart has  
19 indicated that maybe gas tax is not the way to go.  
20 We've been hearing about the fuel-efficient cars for  
21 20, maybe 25 years, and we're not very much closer,  
22 though recent breakthroughs and technology may be  
23 moving us in that direction. We're not getting there  
24 very fast.

25 A five percent or a ten percent gas tax

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1 increase could provide for \$60 million. I think, Tom, 09:15:56  
2 that's what you mentioned. Said 60 million a year. 09:16:04  
3 Over ten years, that provides a fairly significant 09:16:08  
4 amount of money. So I'm wondering why it is that, in 09:16:13  
5 the interim, a gas tax, which is perhaps similar to a 09:16:17  
6 sales tax, because it comes with consumption, might not 09:16:22  
7 be one of those stop gap measures that would be 09:16:27  
8 considered? It might not last forever, but at least in 09:16:30  
9 the short run it could serve to provide a significant 09:16:34  
10 amount of money for addressing the issue. 09:16:38

11 Why wouldn't that be a -- one of the 09:16:42  
12 possible alternatives? 09:16:47

13 REPRESENTATIVE LOCKHART: The trans -- the 09:16:49  
14 planning task force did take a look at gas taxes, and 09:16:54  
15 they are an option. My -- I'm trying to reflect some 09:16:58  
16 of what the Legislature feels in terms of the majority 09:17:04  
17 just doesn't feel that that's where we need to rely. 09:17:13  
18 And your issue about -- you did bring up that maybe it 09:17:16  
19 would be temporary. I'm trying to think of a temporary 09:17:20  
20 tax. I can't think of one. Once we put one on, it's 09:17:22  
21 there. I hope someone can think of one. But taxes 09:17:25  
22 don't go away. They continue. And even if they have a 09:17:29  
23 ten-year limit, when you reach the ninth year, 09:17:34  
24 everybody finds a reason to keep it going. And so you 09:17:37  
25 extend it. Taxes don't go away. And so that's a 09:17:40

1 concern.

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2 I'm not ruling out completely gas tax as an  
3 option. I'm saying that in this environment, and as  
4 I've talked to colleagues and so forth, we don't want  
5 to, as a Legislature, continue to rely on the gas tax,  
6 and have the public and everyone else believe that that  
7 is the end all, and that is going to just pay for  
8 everything. But clearly, as a Commission, you know  
9 that it does not pay for everything.

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10 COMMISSIONER MILLINGTON: (Inaudible).

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11 REPRESENTATIVE LOCKHART: That is right.

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12 COMMISSIONER BROWN: I have a couple of  
13 questions, if I might. I don't know how much time I  
14 have left.

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15 Butch, maybe you could speak to this. As  
16 the statistics indicate, that there will be less and  
17 less of a role in terms of the Federal dollars. Do you  
18 see the Federal Highway Department pulling back in  
19 terms of oversight, or the rules, or hoops that have to  
20 be jumped through with these locally-funded roads? Do  
21 anything to facilitate lack of resources coming from  
22 Washington?

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23 MR. WAIDELICH: Well, unfortunately, what's  
24 been happening the last few years with major projects  
25 around the country, for example, what's happened with

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1 Congress, they've actually been tightening the strings,  
2 as far as financial accountability.

3 So if the last few years is any example of  
4 where we're heading, regardless of the sheer amounts  
5 coming from the Federal government, when Federal  
6 dollars are involved, I believe, at least the financial  
7 side of accountability will still have an oversight  
8 role. That tends to be the direction we're headed.

9 MR. KNOWLTON: Commissioner, we have five  
10 minutes.

11 COMMISSIONER BROWN: Okay. I've got one  
12 other question.

13 The Legislature has authorized the  
14 Commission to consider tolling. May. I hope you  
15 understand the position it puts the Commission in in  
16 terms of making that decision, because we would only  
17 make that if the resources were not available to us.

18 At least that's my perspective as a  
19 commissioner.

20 We're not wanting to toll just for the sake  
21 of tolling.

22 We feel time pressure to meet the congestion  
23 problems, so -- and I guess I'd like anyone or all of  
24 you to respond to the issue of time. To me, that's an  
25 important component, as we're considering tolling on

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1 this Mountain View Corridor, is to get there quicker. 09: 20: 18  
2 If we -- if we're okay for 20 more years, we don't need 09: 20: 21  
3 to talk as much about tolling as if you want it built 09: 20: 25  
4 in the next five years. So I think I'd like some -- 09: 20: 27  
5 I'd like you to respond how important you think the 09: 20: 31  
6 congestion issue is as it relates to Mountain View 09: 20: 34  
7 Corridor. 09: 20: 37

8 MAYOR NORDFELT: Commissioner, I believe 09: 20: 42  
9 that the need -- and I'm speaking for West Valley City, 09: 20: 45  
10 but particularly -- but for Salt Lake County as well. 09: 20: 49  
11 The congestion is not caused by the lack of 09: 20: 52  
12 infrastructure for north and south traffic, it's caused 09: 20: 56  
13 by the lack of facilities for east/west traffic in Salt 09: 20: 59  
14 Lake County. And if there were other sources of funds 09: 21: 04  
15 available to improve the transportation situation, I 09: 21: 06  
16 would hope that that money would go first to improve 09: 21: 10  
17 the east/west congestion. 09: 21: 13

18 Now, I know that the Mountain View Corridor 09: 21: 15  
19 does have salutary effect on the east/west congestion, 09: 21: 20  
20 but not nearly as much as a -- as increasing highway 09: 21: 23  
21 capacity, and increasing transit east and west in Salt 09: 21: 28  
22 Lake County. 09: 21: 31

23 So while I do agree that we need other 09: 21: 31  
24 sources for transportation infrastructure, revenue 09: 21: 36  
25 sources, I'm not sure that they would first go to the 09: 21: 39

1 Mountain View Corridor.

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2 MR. WARNE: Just a comment on that. Two  
3 points to remember here. One, congestion will never be  
4 less. It will be worse tomorrow, and it will be worse  
5 next month, and it will be worse next year. So that is  
6 one compelling reason to act sooner than later. The  
7 other reason is Mountain View corridor has \$2 billion,  
8 or something in that neighborhood. And even at a  
9 nominal inflation rate, you're probably looking at,  
10 what, \$80 million increase in cost for every year you  
11 delay it. I mean, that's -- the numbers are very  
12 compelling, just from a business standpoint, to act  
13 sooner rather than later.

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14 COMMISSIONER BROWN: Representative  
15 Lockhart?

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16 REPRESENTATIVE LOCKHART: I understand that  
17 the Legislature did put you in this position, but the  
18 Legislature itself did have to make that decision, that  
19 policy decision. Up until that bill, every decision,  
20 whether you toll or not, had to be brought before the  
21 Legislature, was extremely political. It's a, you  
22 know, who's area is being tolled? Who's not? Who's  
23 going to make the deal, et cetera, et cetera.

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24 And we felt that it was better, as a  
25 Legislature, to make that policy decision, that, yes,

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09: 23: 01

1 tolling should be an option, and we're going to allow 09: 23: 02  
2 the Commission, who has a much broader vision of what 09: 23: 04  
3 the needs are, and where the critical needs are, where 09: 23: 07  
4 the growth is occurring, and looking at needs across 09: 23: 12  
5 the state to make that specific decision. 09: 23: 15

6 But might I say that Mountain View Corridor 09: 23: 19  
7 will, if it is tolled, will toll a significant portion 09: 23: 22  
8 of northern Utah County. And so those citizens there 09: 23: 26  
9 need to be considered in terms of how they feel about 09: 23: 33  
10 tolling as well. 09: 23: 36

11 And I think you have some indication -- it 09: 23: 37  
12 was the tolling of the HOV lane, which, thank you very 09: 23: 42  
13 much, I have a sticker, and I enjoy it. I will pay my 09: 23: 46  
14 \$50 every month. I would be willing to pay more. 09: 23: 50

15 COMMISSIONER MILLINGTON: Thank you. Thank 09: 23: 55  
16 you very much. 09: 23: 56

17 REPRESENTATIVE LOCKHART: Thank you, 09: 24: 00  
18 Commissioner Millington, who, as you see, as you know, 09: 24: 01  
19 is from Utah County. 09: 24: 04

20 Utah County is in trouble. We have 09: 24: 05  
21 significant, huge, huge needs. We are in -- we're 09: 24: 08  
22 gridlocked. And you see, through -- it was Utah 09: 24: 13  
23 County, I believe, most strongly, legislators and 09: 24: 17  
24 commissioners and others, who encouraged you to look at 09: 24: 21  
25 the tolling of the HOV lane. Because we are desperate. 09: 24: 25

1 And you'll continue to hear that desperation. When 09: 24: 32  
2 you're congested, when you cannot move goods and 09: 24: 36  
3 services, when it gets so bad, you will beg for 09: 24: 38  
4 tolling, because you need to move. And you are -- the 09: 24: 44  
5 toll is much less of a burden than sitting -- the lost 09: 24: 47  
6 opportunity. You're right, Commissioner. 09: 24: 55

7 So I think you would find less resistance in 09: 24: 57  
8 Utah County. I represent northern Utah County, so 09: 25: 00  
9 you'd have to talk to them specifically. I can't speak 09: 25: 02  
10 for them. But we need options, and we need ways to get 09: 25: 04  
11 in and out of there. And our businesses need those 09: 25: 10  
12 options as well. Because we're just going to stifle 09: 25: 13  
13 activity if we don't -- if we can't move goods and 09: 25: 18  
14 services. 09: 25: 21

15 COMMISSIONER BROWN: Thank you. 09: 25: 21

16 Commissioner Njord, did you have one 09: 25: 22  
17 follow-up question? Are we out of time? 09: 25: 25

18 MAYOR NJORD: I was going to ask Mayor 09: 25: 28  
19 Nordfelt, what do you think the expectations of the 09: 25: 30  
20 citizenry is with respect to Mountain View? Is there 09: 25: 40  
21 a view of when that will be constructed? Is there 09: 25: 40  
22 some expectation out there? 09: 25: 40

23 MAYOR NORDFELT: I think -- I would have a 09: 25: 41  
24 hard time putting my finger on what the public 09: 25: 44  
25 expectation is. My own is that I hope sometime in my 09: 25: 46



lifetime.

MR. WARNE: How long are you going to live?

MAYOR NORDFELT: At least a year.

COMMISSIONER BROWN: I think -- any other commissioners with any questions? I guess not. Then we'll turn that back to you.

MR. KNOWLTON: Thank you, Commissioner Brown. And thank you to all of the panelists.

Okay. Now we turn our attention to the second group of panelists, who will discuss the tolling analysis findings as they relate particularly to the Mountain View Corridor.

With us here today is Matt Sibul, with Parsons Brinckerhoff. He'll provide an overview of the tolling analysis team and approach for the Mountain View Corridor.

Jerry Nielsten, with Vollmer Associates, talking about toll rate determination, revenue projections, electronic toll collections, and operational issues for the Mountain View Corridor.

Also with us is Jeff Holt, with Goldman, Sachs, providing an overview of the financial findings of the Mountain View Corridor tolling analysis.

Teri Newell, the UDOT Mountain View Corridor project manager will provide -- discuss the approach to

1 and the results of stakeholder input in the Mountain  
2 View Corridor analysis.

3 And Matt Scott, with Parsons Brinckerhoff,  
4 will discuss economic development issues and trends  
5 along toll roads.

6 First we will hear from Matt Sibul. Matt  
7 Sibul currently works as the project manager of Parsons  
8 Brinckerhoff in Salt Lake City, overseeing and managing  
9 all of the day-to-day activities associated with the  
10 Mountain View Corridor.

11 Matt has a bachelor's of science in civil  
12 engineering from the University of Minnesota.

13 Thanks so much, Matt, for being here. You  
14 have five minutes.

15 MR. SIBUL: Thank you, Ted. I thought since  
16 I was sitting beside Ted he'd give me six minutes, but.

17 I want to talk a little bit about what we've  
18 been working on over the past ten to twelve months for  
19 this tolling analysis process. And it really has been  
20 an exciting, dynamic process, so.

21 All right. Really, we're -- we undertook  
22 what was basically a six-step process during this  
23 tolling analysis. And we'd broadened a couple of those  
24 six steps, because several of our family members can go  
25 into a lot more detail with each of those steps.

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1           One of the first things we did was to  
2 determine the technology for toll collection; whether  
3 it's cash selection, electronic toll selection, or ETC,  
4 or a combination of cash/toll collection.

5           And what we determined from Mountain View,  
6 the going forward, the assumption was that it would be  
7 electronic toll collection. There wouldn't be any toll  
8 booths that will have to be stopped at to pay toll or  
9 anything. Jerry Nielsten is going to go into some of  
10 those details of how it would work.

11           The next thing we did was to determine how  
12 much the toll rate would be. How much would a driver  
13 pay as they drove down the facility.

14           The next step of the process was really to  
15 define the project, in terms of how long is it? Is the  
16 entire 40 miles built all at once? What are the number  
17 of lanes? Where are the interchanges? We got down to  
18 the details in terms of what types of structures are we  
19 looking at, as well as even things such as the pavement  
20 types. Is it concrete or is it asphalt? Because that  
21 all rolled into the project costs, which are, of  
22 course, an important component of defining the project.

23           The next thing that we did was use the  
24 local -- the Wasatch Front Regional Council and Mag  
25 Travel Model, to actually determine the number of cars,

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1 the number of vehicles that will be driving on the 09: 29: 44  
2 facility. 09: 29: 46

3 And we had to do a couple of things there to 09: 29: 47  
4 customize the model to apply it to Mountain View, when 09: 29: 50  
5 we looked at tolling the facility. And mainly, that 09: 29: 54  
6 was because when we started out, the model didn't 09: 29: 58  
7 actually -- wasn't able to accommodate tolling. So we 09: 30: 00  
8 had to customize and build that parameter from the 09: 30: 03  
9 ground up, for the regional model. 09: 30: 08

10 Another thing that we did, and Matt Scott 09: 30: 10  
11 and his group worked on this, looked at the impacts 09: 30: 13  
12 relating to the economic development that was projected 09: 30: 16  
13 in and around the corridor over the next 30 to 09: 30: 17  
14 40 years, and either validate or slightly adjust those 09: 30: 21  
15 numbers based upon a number of factors which related to 09: 30: 25  
16 things such as doing interviews with developers, 09: 30: 31  
17 working with real estate consultants, and so on. 09: 30: 33

18 So that was our travel demand model. And 09: 30: 43  
19 that actually gave us the number of cars that were on 09: 30: 43  
20 the facility. Then we went through a process of 09: 30: 43  
21 estimating the toll revenue, or the actual stream of 09: 30: 43  
22 cash that was coming in to the facility. 09: 30: 46

23 And Jerry Nielsten, with Vollmer & 09: 30: 48  
24 Associates, is going to go through some of those 09: 30: 52  
25 details. We took all of those parameters, and -- this 09: 30: 53

1 was a very iterative process. There was a lot of back  
2 and forth in and among these different steps, that all  
3 fed into a financial model. And that was something  
4 that Jeff Holt did at Goldman, Sachs, really gave it  
5 the structure of the capital markets and so forth, to  
6 determine what kind of money would be available to  
7 offset project costs up front.

8 So that's the process that we follow during  
9 this tolling analysis.

10 Just a couple of basics about our baseline  
11 that we defined as our baseline scenario. It's one  
12 that would be state owned, state developed, and state  
13 operated.

14 And that's opposed to a different kind of  
15 development, which, again, we ran an analysis on that.  
16 State owned. It's leased to a private entity over a  
17 certain number of years. It's privately developed, and  
18 then also it's privately operated. And there were a  
19 number of different terms that are used to describe  
20 this. Sometimes it's a P3, or a public/private  
21 partnership, vendor agreement. There are a number of  
22 different terms that are used to describe that.

23 Just rolling through, again, some more of  
24 our assumptions. Again, the baseline assumed it's  
25 state owned, developed, and operated. We assumed that

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1 the entire facility would be built. The entire roadway 09: 32: 12  
2 from I-80 in Salt Lake County down to I-15 in Utah 09: 32: 15  
3 County. You'd look at a couple of scenarios of phasing 09: 32: 19  
4 it, but we defined our baseline just as that. A 09: 32: 21  
5 project cost for the baseline is just under 09: 32: 25  
6 \$1.8 billion, as you can see. 09: 32: 28

7 Again, we did assume 100 percent electronic 09: 32: 30  
8 toll collection. So no toll booths. 09: 32: 32

9 And then Jerry is going to go into details 09: 32: 35  
10 of this, but our toll rate, an open rate of 2013, for 09: 32: 39  
11 purposes of this analysis were assumed to be \$0.11 per 09: 32: 46  
12 mile on off peak, and .20 per mile during the peak 09: 32: 46  
13 period of the commute. 09: 32: 50

14 Just in a nutshell, again, with that 09: 32: 51  
15 baseline toll scenario, with the project costs of 1.78 09: 32: 54  
16 billion, we determined that tolling would cover just 09: 32: 58  
17 about two-thirds of that tolling cost, leaving a gap of 09: 33: 01  
18 about \$640 million. 09: 33: 04

19 I've already talked a little bit about what 09: 33: 06  
20 Jerry and Jeff are going to cover. We've also received 09: 33: 09  
21 a tremendous amount of tolling input. And we've 09: 33: 11  
22 reached out to the public a lot in the last eight to 09: 33: 16  
23 ten months relative to tolling. Teri is going to cover 09: 33: 19  
24 that. 09: 33: 22

25 And then another thing we've gotten 09: 33: 22

1 questioned about a lot is how does a toll road, how 09: 33: 23  
2 would a toll road, or how does a toll road affect the 09: 33: 26  
3 economic development within that toll rod corridor. So 09: 33: 29  
4 what Matt Scott has done with our team is pulled 09: 33: 32  
5 together a number of case studies around the country 09: 33: 35  
6 that actually addresses that particular issue. 09: 33: 38

7 So with that, I think that's all for me. 09: 33: 41

8 MR. KNOWLTON: Thank you. Gerry Nielsten is 09: 33: 44  
9 the partner-in-charge of most of the Vollmer's -- with 09: 33: 51  
10 Vollmer Associates. He's in charge of Vollmer's 09: 33: 55  
11 transportation and traffic planning, economic 09: 33: 58  
12 feasibility, and environmental studies. 09: 34: 00

13 Mr. Nielsten has worked on a number of toll 09: 34: 03  
14 facility projects in a variety of states. He has a 09: 34: 05  
15 bachelor of arts in engineering from Dartmouth College, 09: 34: 10  
16 bachelor of engineering and transportation design from 09: 34: 14  
17 Thayer School of Engineering. With us today is Gerry 09: 34: 18  
18 Nielsten. 09: 34: 20

19 MR. NIELSTEN: Good morning. Nice to be 09: 34: 26  
20 here. 09: 34: 28

21 I've been asked to translate my 35 years of 09: 34: 28  
22 experience and traffic and revenue studies, and turn 09: 34: 33  
23 you all into traffic engineers in the next four and a 09: 34: 36  
24 half minutes, so I'll do my best. We're going to focus 09: 34: 39  
25 a little bit, if I can find the right button. Bottom 09: 34: 42

1 left. There we go. Toll rates.

09: 34: 48

2 If I were sitting here 50 years ago, we  
3 would say, use one cent per mile and be done. If I  
4 were sitting here 30 years ago, we'd say use \$0.04 a  
5 mile and we'd be done. Because, as we saw the chart  
6 earlier, construction costs outpaced general cost  
7 inflation, we are forced to look at, say, toll rates,  
8 at much higher levels and much more carefully than  
9 we've ever done. The chart on my left is underlying  
10 foundation of how toll roads function. That is, the  
11 user chooses to pay a fee to save time.

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12 As the fee goes up, fewer users choose to  
13 pay that fee, and therefore traffic declines.

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14 In the hypothetical case, the shape of the  
15 curve is the one that I've made up for our purposes.  
16 The rate of the decline is the relative elasticity of  
17 the traffic change. And this example for this case, if  
18 I double the toll from \$0.25 to \$0.50, and it drops  
19 20 percent in traffic, that's a relative elasticity of  
20 double of 20 percent.

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21 If one were to take this same hypothetical  
22 curve, and then multiply the traffic at a given point  
23 times the toll rate, you get the revenue. Well, that's  
24 very simple. So at a quarter, a hard vehicle gets  
25 \$25.00. Vehicles at a dollar gets \$72, et cetera. So

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09: 36: 02



1 you plot effectively, not only the traffic along the 09: 36: 06  
2 same toll rate curve, you plot the revenue. And this 09: 36: 09  
3 curve, it helps us to build the appropriate optimal 09: 36: 12  
4 tolls. 09: 36: 16

5 At the low end of the curve, and virtually 09: 36: 17  
6 all of the mature toll roads in the United States are 09: 36: 19  
7 at the low end of the curve; \$0.01, \$0.02, \$0.03 per 09: 36: 21  
8 mile. When you increase tolls, because you're at the 09: 36: 24  
9 high portion of the curve, you effectively receive a 09: 36: 27  
10 full -- a highly efficient use of the revenue. The 09: 36: 30  
11 curve's linear and very sharp. As you increase the 09: 36: 33  
12 curve over time, more people are leaving the road, in 09: 36: 36  
13 this case because of the toll change, the amount of 09: 36: 40  
14 revenue you're getting, so the curve starts to look at 09: 36: 43  
15 a lesser pace and go up. In fact, at some point it 09: 36: 45  
16 becomes absolutely flat. That is, you increase tolls, 09: 36: 48  
17 but you have no additional increase in revenue. If you 09: 36: 51  
18 go beyond the critical point in curve, the curve turns 09: 36: 54  
19 downward. You increase tolls to the point you receive 09: 36: 58  
20 less revenue than you did prior to the toll going up. 09: 37: 00

21 So it then leads itself to the question, 09: 37: 03  
22 what's the right place for the toll to be at a given 09: 37: 06  
23 point in time? And there are two points to look at. 09: 37: 16  
24 The highest revenue point is highlight A here. It is 09: 37: 16  
25 the absolutely highest point of revenue of the curve. 09: 37: 16

1 Well, you really don't want to be there for a couple of 09: 37: 17  
2 years. One, as good as I am, I'm not perfect. And the 09: 37: 20  
3 whole idea of predicting a future revenue curve in the 09: 37: 23  
4 year 2030 is somewhat problematic. So you want to 09: 37: 26  
5 assume that in the forecast, a bit of a range within 09: 37: 29  
6 them, and give yourself the opportunity to get 09: 37: 33  
7 additional revenue, should it be required for any 09: 37: 36  
8 purpose. So you would set the optimal point of the 09: 37: 39  
9 curve below the highest point, and that gives that you 09: 37: 41  
10 range of flexibility as you're going into the future 09: 37: 44  
11 purpose. 09: 37: 47

12 So I picked, in this hypothetical example, 09: 37: 48  
13 the place you'd want to be. How does this apply then 09: 37: 49  
14 to the Mountain View Corridor? These are the track 09: 37: 53  
15 mile outputs for applying the toll rates in 2030. And 09: 37: 59  
16 the rates we're talking about are, in fact, in \$2,000. 09: 38: 02

17 So what we're trying to do is look at the 09: 38: 06  
18 same shape of the curve and where we want it to be. It 09: 38: 09  
19 looks like the highest point of the curve is about 09: 38: 12  
20 \$0.24 per mile, but the optimal point, the B point I 09: 38: 15  
21 suggest, is probably \$0.20 per mile. And that really 09: 38: 18  
22 applies for peak periods. So that's the recommendation 09: 38: 21  
23 we made as the basis for our underlying efforts. 09: 38: 23

24 How does it relate to other facilities? 09: 38: 26  
25 Again, one cent per mile 50 years ago made sense. 09: 38: 28

1 \$0.04, 30 years ago. Almost all new toll roads in the 09: 38: 31  
2 last ten years start at 15, moving up into the 20 to 30 09: 38: 34  
3 cent per mile range. This is where construction costs 09: 38: 40  
4 place our current toll efforts. 09: 38: 43

5 Just kind of broadly in terms of the actual 09: 38: 45  
6 traffic data themselves. This is a product of our work 09: 38: 49  
7 that shows you the traffic along each segment of road, 09: 38: 52  
8 by various toll rates that we're talking about. And, 09: 38: 56  
9 in fact, on the average, the likely traffic in the 09: 38: 59  
10 corridor is significant and substantial. The model 09: 39: 03  
11 itself has a number of limitations. We have 09: 39: 06  
12 statistics. It does not directly model commercial 09: 39: 11  
13 vehicles, so we're forced to assume the likely 09: 39: 14  
14 commercial use in the potential. 09: 39: 19

15 We've used what's been typical in most toll 09: 39: 20  
16 roads, which is about five to six percent commercial 09: 39: 21  
17 vehicles for new toll roads in this type of corridor. 09: 39: 22  
18 That produces about a ten percent revenue surge. 09: 39: 25

19 This is an average week-day model, so we 09: 39: 25  
20 have estimated weekend uses. We took statistics from 09: 39: 29  
21 the local areas, as well as other toll roads, to get 09: 39: 32  
22 our factor of 320. 09: 39: 34

23 This is an all electronic facility. That 09: 39: 35  
24 means those who didn't have a transponder who might 09: 39: 37  
25 want to use it, cannot use it. So we take a discount 09: 39: 40

1 on that basis.

09: 39: 43

2 We assume there will be some portion of  
3 time, when it's brand new, people will not know where  
4 it is, how it goes, how to use it, so there will be a  
5 discount of the newness of the facility.

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6 And we also assume the toll rates that we  
7 could imply would increase with inflation over time to  
8 reflect the need for additional revenues. And that is  
9 virtually true of every toll road I've worked on in the  
10 last 15 years.

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09: 40: 01

09: 40: 04

11 Regarding ETV, electronic toll collection.  
12 This facility has no gates, no bars. The rider would  
13 never know where the toll collection is. You'll have a  
14 transponder or something else in your car that reflects  
15 that. But because of the fact that not everyone would  
16 have that in the early years, we made an assumption  
17 those who want to use it would not be able to, so we  
18 discounted the income stream for that. We put some  
19 real large discount in the early years, had some very  
20 small ones in the out years, assuming technology will  
21 change.

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22 Ramp up. New roads suffer because, as they  
23 are put into a system, a large portion of the universe  
24 don't know where they are or where they go. You'd be  
25 surprised how often I go to a brand new toll road, and

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1 we'll be talking to someone, Where does that road go?

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2 It's a mile from your house. I have no idea.

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3 So as a result of this newness, it takes  
4 five to six years off. And for a period, people don't  
5 know. We have incorporated some very significant  
6 ramp-up discounts to account for that. And if it were  
7 done as one package, it would happen once. If it were  
8 done in two phases, the ramp up would occur in two  
9 periods, as I show in this chart as an example.

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10 Setting the tolls. I say we set the toll at  
11 a \$2,000 base. At \$0.20 per mile. We assume that the  
12 off peak periods would be half that rate. Or ten cents  
13 per mile.

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14 It's also important in the early years of a  
15 product to encourage as much traffic as possible. We  
16 have to reduce the rate in the opening year down to a  
17 \$2,000 base of \$0.15 per mile, assuming that would  
18 increase disproportionate with time to get to an  
19 optimum toll rate to produce as much revenue as  
20 possible.

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21 If you take those tolls and then apply them  
22 with the three percent inflation rate, you see the  
23 escalating tolls, which, as Matt mentioned, were \$0.23  
24 peak hours, \$0.11 off. Our opening year, increase over  
25 time.

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1           If you take the traffic from the traffic  
2 model, the toll rates I discussed, the revenue  
3 implication of that, in the early years, 2013 or so,  
4 was about five to \$8 million per year; and 2022, about  
5 \$90 million per year; in 2030, about \$165,000,000 per  
6 year. These revenues then get put into financial  
7 miles, which Jeff Holt will discuss right now.

8           Thank you very much.

9           MR. KNOWLTON: I hope you got all of that.  
10 There's going to be a test on that material during the  
11 break.

12           Next with us, to provide another overview of  
13 the financial findings of the toll analysis, is Jeff  
14 Holt, the vice president of the municipal finance  
15 department of Goldman, Sachs & Company. Mr. Holt  
16 currently serves as the senior investment banker for  
17 many large transportation and infrastructure projects  
18 throughout the United States and the world. Grateful  
19 to have you here today, Jeff.

20           You now have five minutes.

21           MR. HOLT: Thank you for inviting me today.

22           The charge that we received as an advisor to  
23 the team was to take the exuberance in the marketplace  
24 today over the potential for public/private  
25 partnerships that has been demonstrated in the Chicago

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1 Skyway and in the Indiana toll road, and in other 09: 43: 23  
2 places like New Jersey, where they are currently trying 09: 43: 26  
3 to figure out how to sell, or concessions out their 09: 43: 29  
4 turnpike in the Garden State Parkway, and look at that 09: 43: 32  
5 particular alternative and see if there was any hope of 09: 43: 35  
6 some sort of a multiple effect through a concession 09: 43: 38  
7 model, versus a traditional tax exempt funding model, 09: 43: 42  
8 and see if either or both of those were feasible for 09: 43: 50  
9 the Mountain View Corridor. Taking all of the traffic 09: 43: 53  
10 data, revenue data, and cost data and putting them into 09: 43: 56  
11 our models, to determine, you know, what the financial 09: 43: 59  
12 feasibility then is for these projects. 09: 44: 02

13 So our results on a full build scenario were 09: 44: 04  
14 that -- and that Matt said earlier, we have a funding 09: 44: 10  
15 gap under a traditional tax exempt financial route, 09: 44: 12  
16 which we'll get into very specifically. There is a gap 09: 44: 16  
17 of \$641 million. Under a concession route, 09: 44: 19  
18 \$502 million. 09: 44: 26

19 The specifics on the traditional tax exempt 09: 44: 27  
20 toll financing analysis are essentially a senior 09: 44: 31  
21 subordinated structure. Where we sell -- we sort of 09: 44: 37  
22 give a first claim on toll revenues to the senior lien 09: 44: 41  
23 bonds, senior debt bonds. Those are investment grade, 09: 44: 44  
24 which means they're triple B minus or better in terms 09: 44: 48  
25 of the rating agencies. They're also tax exempt, 09: 44: 51

1 because they're for a public purpose.

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2 We can use capital appreciation bonds.

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3 That's a technical term for a zero coupon bond, which

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4 allows us to defer interest during these ramp-up

09: 45: 02

5 periods where people are getting to know where the road

09: 45: 05

6 is and whatnot. We need some of that to -- and during

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7 the construction period, when there's no revenue, we

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8 need some of that interest deferral. It's very

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9 important in a greenfield toll road like this.

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10 Coverage ratios at two times debt service

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11 reserve funds. An interest rate of 1.25 percent is the

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12 average. And it's a 40 year term, so the debt is

09: 45: 27

13 40 years.

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14 And we layer onto that a very important

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15 program that gives us an additional leverage, and it

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16 stretches the dollars a little bit further, which is

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17 the Federal Government's TIFIA program.

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18 TIFIA is a very good program, and I've done

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19 it in a number of places. The TIFIA program is perfect

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20 for a start-up toll road like this. And it basically

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21 lends on very favorable terms, on a subordinated basis.

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22 Those are subinvestment grade, which means we couldn't

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23 sell those as investment grade securities, but the

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24 Federal Government will take those as a direct loan.

09: 46: 01

25 So, in a way, it's an indirect subsidy from the Federal

09: 46: 03



1 Government. There is a 35 year term on that. The 09: 46: 07  
2 market rate is 30-year treasury is flat. So that's an 09: 46: 11  
3 amazing pricing for such an instrument. 09: 46: 13

4 This is the way the revenue curve has been 09: 46: 14  
5 distributed amongst the debt instruments and operation 09: 46: 19  
6 and maintenance. And you can see the red line is the 09: 46: 21  
7 projected revenue from the toll road. 09: 46: 23

8 It's pretty amazing how it ramps up. And 09: 46: 26  
9 the growth is so steep. 09: 46: 29

10 The two sections on the bottom are operation 09: 46: 32  
11 and maintenance and capital expenditures. You have to 09: 46: 36  
12 do certain renewals for replacement of the roads, and 09: 46: 39  
13 resurfacing and that sort of thing over a period of 09: 46: 42  
14 time. So those are the dark blue at the bottom and the 09: 46: 45  
15 light blue on top of that. 09: 46: 47

16 And then we have our two debt components, 09: 46: 48  
17 just our regular tax exempt bond in dark green, and the 09: 46: 51  
18 TIFIA structure in light green. You can see the 09: 46: 52  
19 Federal government is pretty forgiving. They'll allow 09: 46: 54  
20 a very back-end loaded structure there. 09: 46: 57

21 But this case gets us a six -- still -- 09: 46: 59  
22 still, when we lever that revenue curve, and you can 09: 47: 01  
23 see we've used it all up for the next four years, you 09: 47: 03  
24 can see that we still have a \$641 million gap. 09: 47: 06

25 The toll concessions analysis. We tried to 09: 47: 09

1 figure out, then, okay, what's left to give to an 09: 47: 17  
2 equity investor? And as you can see, we're going to 09: 47: 20  
3 use similar instruments; senior debt, tax exempt, 09: 47: 22  
4 because we can use the private TIFIA bond program that 09: 47: 28  
5 the Federal government allows. A private access to a 09: 47: 31  
6 government service toll, you can still use tax exempt 09: 47: 34  
7 bonds. We don't get the capital appreciation bonds. 09: 47: 38  
8 We have to use a taxable component in there. 09: 47: 41

9 Everything else is pretty much the same. 09: 47: 44  
10 40-year deposit, and we layer TIFIA on the top of that 09: 47: 46  
11 at the same interest rates. And then we add an equity 09: 47: 49  
12 component, which basically uses all of the rest of the 09: 47: 52  
13 revenue that's left for the next 99 years. And that's 09: 47: 54  
14 all done at the 12 percent return on equity. 09: 47: 57

15 They do have to pay taxes on this road. And 09: 48: 01  
16 you can see how we carve up -- somehow it took too long 09: 48: 06  
17 to load that one. 09: 48: 23

18 Well, let me give you the -- I just want to 09: 48: 34  
19 show you one particular piece before I carve it up, I 09: 48: 41  
20 guess. This was -- if you can see, in the very front 09: 48: 43  
21 end, we have two years of preconstruction, three years 09: 48: 46  
22 of construction, five years of ramp-up. There's almost 09: 48: 49  
23 no revenue there. So the financial instruments you 09: 48: 52  
24 have to put into play are really playing to the front 09: 48: 54  
25 end of that curve where you're trying to build up 09: 48: 56

1 ridership and whatnot. Very important differential in  
2 existing toll road versus a -- versus a start-up toll  
3 road.

4 This is a -- this is how, then, the  
5 concession model builds up against the revenue curve.  
6 The same kind of operation and maintenance components,  
7 the senior debt service and the TIFIA component. But  
8 you can see that the equity dividend, which is the  
9 light blue, sort of takes everything else. And that  
10 one significant component that's added in the back are  
11 taxes. And it's a pretty tremendous amount of taxes  
12 that then get paid ON the road at the end.

13 In this case, you can raise an additional  
14 \$200 million in equity, and the funding gap drops to  
15 \$502 million. Now, the math doesn't exactly tie,  
16 because your senior lien debt is less efficient under  
17 this model, so you lose a little bit of efficiency  
18 there. But the bottom line is THAT the funding gap  
19 does drop from 641 to \$502 million if they do that, but  
20 the tolls go out from 40 years to 99 years in terms of  
21 how much of the toll stream we use.

22 I'll leave it there and then answer any  
23 questions in the Q and A. Thank you.

24 MR. KNOWLTON: Thank you, Jeff.

25 I did want to let you all know that the

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1 presentations today will be made available on the 09: 50: 16  
2 Mountain View Corridor official Web site, and we will 09: 50: 20  
3 get you the address later in the session today. 09: 50: 23

4 Next with us is Teri Newell. Ms. Newell is 09: 50: 26  
5 the project manager at the Utah Department of 09: 50: 30  
6 Transportation responsible for the Mountain View 09: 50: 33  
7 Corridor Environmental Impact Statement. 09: 50: 36

8 Ms. Newell has a bachelor's of science 09: 50: 37  
9 degree in civil engineer from Iowa State University. 09: 50: 42

10 Thanks, Teri, for being with us today. You 09: 50: 43  
11 have five minutes. 09: 50: 45

12 MS. NEWELL: Thank you, commissioners, 09: 50: 51  
13 again, for giving us time to speak about this subject. 09: 50: 54

14 I'll just walk you through a little bit of 09: 50: 56  
15 where we've been in our public process. 09: 50: 59

16 When we first started talking about 09: 51: 01  
17 analyzing tolling and looking at it for Mountain View 09: 51: 03  
18 Corridor specifically, we started talking about it at 09: 51: 07  
19 our meetings we had with the public. And I think there 09: 51: 10  
20 was some concern and maybe a lack of understanding as 09: 51: 12  
21 to why we would even consider tolling. 09: 51: 16

22 So one of the things we decided we needed to 09: 51: 18  
23 do was really talk to the public about why. Get the 09: 51: 20  
24 facts out in front of them. So what we did was 09: 51: 23  
25 structure a series of public meetings, we called town 09: 51: 27

1 hall meetings. And over the course of the summer,  
2 probably May through July, we held a series of 15  
3 different town hall meetings. We held a series of 15  
4 different, what we call town hall meetings.

5 The town hall meetings were structured so  
6 that we could go to each city. We decided it needed to  
7 be customized to each city. Went to each city, did  
8 about 15 minute presentation of what the funding  
9 situation was, and why we were even considering tolling  
10 in the first place.

11 One of the important pieces of that was, we  
12 had participation from the city officials, from the  
13 legislators. That was a key piece to that process as  
14 well.

15 What we found out through those meetings is  
16 that the most successful meetings were ones where we  
17 had, again, the city officials, the legislators there.  
18 We had members of the Commission there. We were able  
19 to have a really good dialogue about the transportation  
20 funding issues. And I think that's what the public  
21 ultimately expects of us.

22 What we find is they don't really know  
23 ultimately who's responsible for each decision, they  
24 just want to know that we're all working together to  
25 solve the problems.

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1           And I think that's part of what led us to 09: 52: 42  
2   this type of meeting today, was the idea to get 09: 52: 44  
3   everyone together, and really discuss the issues, get 09: 52: 46  
4   the facts out in front of everyone, so we can all work 09: 52: 52  
5   to a solution that the public expects us to. 09: 52: 52

6           So you can see the turnout from our 09: 52: 53  
7   meetings. We had, on average, about 40 to 50 people at 09: 52: 57  
8   each meeting over the course of the summer. At the 09: 53: 00  
9   town hall meetings alone we reached out to nearly 600 09: 53: 02  
10   people. 09: 53: 05

11           In addition to that, we took that message 09: 53: 06  
12   out to numerous other groups. We met with six 09: 53: 07  
13   different chambers, met with the Board of Realtors, met 09: 53: 10  
14   with the Trucking Association Motor Carriers Advisory 09: 53: 13  
15   Board. We met with the editorial boards of the papers. 09: 53: 16  
16   We did numerous meetings with any group that was 09: 53: 19  
17   interested in talking with us. 09: 53: 31

18           What we tried to do is keep those meetings 09: 53: 31  
19   fairly informal, so that we could do questions and 09: 53: 31  
20   answer as well. But that dialogue, again, was really a 09: 53: 31  
21   key important piece to it. 09: 53: 31

22           What we heard from those meetings, just to 09: 56: 32  
23   sort of summarize it, feedback from those meetings. 09: 56: 32  
24   Three key. We had concern over geographic alternative 09: 56: 32  
25   places like West Valley City and Lehi. A lot of the 09: 56: 32

1 questions seemed to center more on the geographical 09: 56: 32  
2 alternatives than anything else. 09: 56: 32

3 We also had concern about the property 09: 56: 32  
4 acquisition process. And then the other key factor was 09: 56: 32  
5 tolling. Again that varied in each city. So the 09: 56: 32  
6 individual discussions in each city were important, 09: 56: 32  
7 because the issues were different as we went through 09: 56: 32  
8 each area. Tolling did receive a mixed reaction. We 09: 56: 32  
9 did have people that were opposed to it, and were very 09: 56: 33  
10 diligent about attending the meetings. We had other 09: 56: 33  
11 people that did recognize, after the presentation, 09: 56: 33  
12 there was a need to look at it and consider it along 09: 56: 33  
13 with everything else. 09: 56: 33

14 The concerns in regards to tolling, the main 09: 56: 33  
15 issue that came out of that was fairness. And I think 09: 56: 33  
16 you've heard that already. If this project is the only 09: 56: 33  
17 one, that's viewed by the people that we met with as 09: 56: 33  
18 unfair. That was a basic issue. 09: 56: 33

19 Trucking industry concerns, related to the 09: 56: 33  
20 cost of doing business. A lot of questions that we had 09: 56: 34  
21 covered operations, the cost of it, revenue, ownership, 09: 56: 34  
22 sunset clauses. A lot of questions along those lines. 09: 56: 34

23 One of the other things that came out of 09: 56: 34  
24 this process is an awareness that we needed to be very 09: 56: 34  
25 transparent about these discussions. Again, that leads 09: 56: 34

1 to the type of meeting we're trying to have today. 09: 56: 34  
2 Gets the facts out there, let them be discussed in an 09: 56: 34  
3 open setting so people can really understand what the 09: 56: 34  
4 issues are that are in front of us. 09: 56: 34

5 And I'll just end with quickly not going 09: 56: 34  
6 through this whole slide, but just to say that the 09: 56: 35  
7 public input is a very important part of this process. 09: 56: 35  
8 We have the results of the tolling analysis at this 09: 56: 35  
9 point. It has been provided to the Commission. And 09: 56: 35  
10 now I think the next steps are just the ongoing 09: 56: 35  
11 dialogue that we're encouraging today. Thank you. 09: 56: 35

12 MR. KNOWLTON: Thank you, Teri. 09: 56: 35

13 Next with us today is Matt Scott, who will 09: 56: 35  
14 talk about present economic development issues and 09: 56: 35  
15 trends along toll road corridors. 09: 56: 35

16 Matt is with Parsons Brinckerhoff. He is an 09: 56: 35  
17 expert in market and market-based financial analysis, 09: 56: 35  
18 real estate, and transportation project development. 09: 56: 35  
19 He is currently the principal in charge of PB's tolling 09: 56: 35  
20 for the Mountain View Corridor. He has advised the 09: 56: 35  
21 Maryland Transportation on a \$600 million TIFIA 09: 56: 35  
22 Application to support toll facilities in Maryland. 09: 56: 35

23 We're grateful to have Matt Scott here 09: 56: 35  
24 today. You have five minutes. 09: 56: 35

25 MR. SCOTT: I should again express thanks to 09: 56: 35



1 the commissioners. We've had a chance to take up your  
2 time on a number of occasions. This time, mercifully,  
3 we'll keep it brief.

4 A very good question was raised in the  
5 course of the public outreach program Teri just  
6 described. And that was, in one way or another, if you  
7 have a toll road, are you economically disadvantaging a  
8 community or economically disadvantaging a region? And  
9 we've got, as you see on this slide, four-case studies  
10 that we've put together to discuss briefly.

11 We tried to pick situations where, number  
12 one, PB had hard access to factual information from the  
13 sponsors and owners of these projects, directly, and  
14 accumulated information efficiently.

15 Secondly, we had projects who were of  
16 similar size and scale to Mountain View.

17 And thirdly, that we had situations where,  
18 not to draw too tight of an analogy, but that the  
19 project served an essentially undeveloped corridor.  
20 That is to say that perhaps there was some  
21 developments, perhaps there was emerging development,  
22 but at the end of the day there was a lot of open  
23 ground out there on the horizon.

24 And I will tell you that in the morning we  
25 had the investor presentations for E470 to raise funds

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1 to develop sections two and three, we chartered a plane 09: 57: 49  
2 with a colleague to fly the right-of-way to see that 09: 57: 53  
3 the farmers were keeping the cattle in the pens. 09: 57: 57

4 Really, that's no lie. Because you bring investors in 09: 58: 00  
5 town, and you show them a herd of cattle in the 09: 58: 03  
6 right-of-way, it tends to get a little tough. 09: 58: 05

7 Turning to the first example, which is the 09: 58: 07  
8 I-270 corridor, which is indicated in blue. This week 09: 58: 10  
9 those colors have zero significance. Versus the Dulles 09: 58: 15  
10 corridor in northern Virginia. 09: 58: 25

11 It happens that these two corridors come 09: 58: 27  
12 under development, and coincidentally I-270, for those 09: 58: 33  
13 are you who know that area, that is not toll, it is a 09: 58: 36  
14 standard highway project, and the Dulles toll road, and 09: 58: 38  
15 the Dulles Greenway project are indeed tolled. Both 09: 58: 41  
16 corridors. And these are corridors, as defined by your 09: 58: 44  
17 local MPO and Washington, cover up 540 square miles. 09: 58: 47

18 Tax treatment is pretty much comparable. 09: 58: 52  
19 It's between the state of Maryland, and the constituent 09: 58: 55  
20 jurisdiction as those in Virginia. So both were 09: 58: 59  
21 blessed with large quantities of suitably zoned lands. 09: 59: 02  
22 Well served by utilities, and finally, strong school 09: 59: 08  
23 systems and other public services in both places. 09: 59: 12

24 We looked at the last 15 years, and kind of 09: 59: 15  
25 compressed it all into some slide and let job growth be 09: 59: 21

1       our measuring stick.

09: 59: 25

2               The Maryland side, I-270 started off in a  
3       larger job base back in 1990, reported 75,000. In the  
4       ensuing 15 years, 88,000 jobs were entered the  
5       corridor. In fact in 1990, the Dulles corridor, as I  
6       designed it, had 229,000 jobs -- sorry 227,000 jobs; in  
7       the ensuing 15 years has added 229,000 jobs;  
8       principally in primary high-paying jobs that are  
9       providing enormous fiscal relief to the jurisdictions  
10      that are having to create service jobs to take care of  
11      the population's growth that's occurred at the same  
12      time.

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13              Next, looking at the Dulles Greenway, in  
14      its -- in isolation, it was completed in 1995. It's  
15      essentially emerged into a commuter facility. It has  
16      very little truck traffic, very little truck usage,  
17      14 miles long, two lanes in each direction. It served,  
18      in its opening day, largely undeveloped area in western  
19      Fairfax in Virginia.

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20              If we look at development activity before  
21      the road opened, in the immediate preceding years there  
22      were approximately 875,000 square feet area of  
23      non-residential development being permitted in the  
24      corridor, and about 1,625 residential units.

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10: 00: 56

25              In the years since opening, the

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1 non-residential and commercial building activity has 10:01:05  
2 averaged three million square feet a year, and 10:01:09  
3 residential permitting has risen to 3,400 units a year. 10:01:12  
4 A 3.4 and 2.1 times multiple. 10:01:17

5 One minute. 10:01:23

6 And this gives us a little bit of a profile 10:01:24  
7 on how that activity has spread over the years, both in 10:01:27  
8 terms of residential and non-residential. 10:01:30

9 Turning to E470, which is in the neighboring 10:01:32  
10 state of Colorado. Again, a circumferential highway, 10:01:35  
11 47 miles long. As I said, virtually undeveloped, 10:01:40  
12 completed in '95 with the big segments, and then 2003, 10:01:44  
13 the final segment connecting to Interstate 25 to the 10:01:49  
14 north. It serves both as a commutation route, it also 10:01:54  
15 is an interregional facility, and it was, as I said, a 10:01:58  
16 substantially undeveloped corridor when it was opened. 10:02:01

17 There's been a lot of activity here. 10:02:05  
18 Measured by the number of individual projects -- which 10:02:08  
19 these, by the way, are sourced to the E470 public 10:02:12  
20 highway. (Inaudible) lose track of this. The most 10:02:16  
21 stunning numbers, considering we're talking a 15-year 10:02:18  
22 period, are the development both for sale and rental of 10:02:21  
23 150,000 residential units and 85 million square feet of 10:02:24  
24 non-residential space. 10:02:30

25 Last case. Foothill eastern in Orange 10:02:32

1 County, California. Again, the characteristics noted 10: 02: 35  
2 there. They have a development impact fee district, 10: 02: 39  
3 provide a little information on this slide as how fees 10: 02: 44  
4 are collected. They range from two to \$4,000 per 10: 02: 47  
5 residential unit. \$3.50 up to \$5.80 on non-residential 10: 02: 50  
6 new development. Prior to the road opening completely, 10: 02: 57  
7 development impact fee collections, which are paid at 10: 03: 03  
8 the time the permit is pulled, so there's not a lot of 10: 03: 06  
9 time to fiddle around. This is real money in real 10: 03: 09  
10 time. Were running about \$7.6 million per year. And 10: 03: 13  
11 when, in the ensuing period, after the road was fully 10: 03: 16  
12 opened, they have moved up to 23 million a year. So, 10: 03: 20  
13 again, a measure of what does a toll road do for you? 10: 03: 25

14 We chart that out. I wanted to put this one 10: 03: 28  
15 up here, because it's important to understand that the 10: 03: 33  
16 good Lord has not believed in us for business cycles, 10: 03: 36  
17 and even periods of great economic success, and 10: 03: 39  
18 activity, you still have periods of very deep troughs 10: 03: 42  
19 relative to peaks. 10: 03: 47

20 In this case was when the industry, military 10: 03: 49  
21 industry in southern California essentially was 10: 03: 52  
22 completely restructured, and we lost tens of thousands 10: 03: 54  
23 of jobs in the state, and subsequently recovered. 10: 03: 57

24 In conclusion, I would say that certainly 10: 03: 59  
25 tolling versus non-tolling does not appear to create a 10: 04: 03

1 prejudicial result. I think the more positive 10: 04: 08  
2 conclusion is that, as Representative Lockhart pointed 10: 04: 11  
3 out, at the end of the day, the efficient movement of 10: 04: 15  
4 people and services and goods and the abilities of 10: 04: 19  
5 people to get their employees, to get them to work on 10: 04: 21  
6 time in the morning and home at night on a timely basis 10: 04: 24  
7 seems to trump everything, and tolling and not tolling 10: 04: 28  
8 seems to get lost in the grounding. 10: 04: 31

9 Thank you. 10: 04: 33

10 MR. KNOWLTON: Thank you, Matt. 10: 04: 34

11 Thank you, to all of our panelists. 10: 04: 39

12 I'd like to turn the time over to 10: 04: 42  
13 Commissioner Brown. 10: 04: 43

14 COMMISSIONER MILLINGTON: A question for 10: 05: 06  
15 Mr. Scott. 10: 05: 07

16 Is there, with all of the information that 10: 05: 10  
17 you have shared with us in economic growth and other 10: 05: 13  
18 things, has there been any indication along the lines 10: 05: 16  
19 of increased tax collections as a result of, for 10: 05: 20  
20 example, increased sales tax, increased gas tax, or 10: 05: 24  
21 other kinds of revenue sources to the state that come 10: 05: 29  
22 from the economic development that you have 10: 05: 35  
23 illustrated? 10: 05: 39

24 MR. SCOTT: Is this live? Yes, it is. 10: 05: 41

25 I don't have specifics that I can share with 10: 05: 43

1     you in the sense of these strict numerics, but what we, 10: 05: 46  
2     in the course, particularly in southern California 10: 05: 51  
3     where we looked at the development which had all of the 10: 05: 53  
4     issues mentioned this morning, it was -- the 10: 05: 56  
5     development community, it became taxation, on top of 10: 05: 58  
6     taxation, on top of taxation. 10: 06: 01

7             There had been substantial positive fiscal 10: 06: 03  
8     benefits. And by fiscal, I mean that which flows from 10: 06: 08  
9     expansion of the business base, expansion of the 10: 06: 12  
10    residential base, the taxation thereof, and, indeed, in 10: 06: 15  
11    southern California, they were almost at a crisis for 10: 06: 27  
12    many of these jurisdictions. And that road serves, if 10: 06: 27  
13    my memory recalls correctly, 52 constituent local 10: 06: 30  
14    jurisdictions that make up the transportation corridor, 10: 06: 34  
15    or agencies created at the least. And every one of 10: 06: 37  
16    those folks had to have the tough row to hoe, 10: 06: 40  
17    particularly in California. It's been pretty 10: 06: 43  
18    profitable with its employee benefits, and pension 10: 06: 45  
19    obligations, and the like. And to a large extent, that 10: 06: 49  
20    primary -- this surge in primary employment and 10: 06: 52  
21    business, and the business taxes that flowed, and the 10: 06: 54  
22    property taxes that flowed have been quite a lifeline 10: 06: 58  
23    in that community. 10: 07: 01

24             COMMISSIONER MILLINGTON: Thank you to 10: 07: 04  
25     Mr. Holt. 10: 07: 05

1           On the issuance of bonds, zero coupon bonds  
2     and other strategies, you mentioned that there would be  
3     a five percent coupon rate, and a 40-year life.

4           What's the effective duration of a bond, the  
5     economic life, if you will, the duration of a bond that  
6     has those parameters of say a five or a five and an  
7     eighth, I think you said 5.12, with a 40-year life?

8           MR. HOLT: Generally, if it's a current  
9     coupon bond, you know, a 40-year bond would be around,  
10    you know, 32 years. Something like that.

11          When you have to factor in -- in a structure  
12    like this, it's not one bond that we sell. It's a  
13    whole bunch of bonds. You'd basically sell bonds all  
14    along the curve. The structure requires a number of  
15    capital appreciation bonds. My guess is the duration  
16    of the entire mix is very close to say 35 to 37 years,  
17    when you add in all of those additional elements. So  
18    it's a pretty back-end loaded.

19          You saw the revenue curve. It's all out on  
20    the back end, so you really have to, you know, try to  
21    put a mix of instruments together that can endure that  
22    long and match up to those revenues.

23          COMMISSIONER MILLINGTON: All right. Thank  
24    you.

25          COMMISSIONER BROWN: Commissioner Warnick?



1 COMMISSIONER WARNICK: They have -- 10:08:37  
2 Mr. Holt, while you're warmed up. I think when I first 10:08:39  
3 saw that, some of the numbers, I was quite surprised 10:08:44  
4 that after the implementation of a partnership, there 10:08:44  
5 were still a significant gap. I think 500 million, as 10:08:48  
6 I recall. Having heard all of the exciting things in 10:08:53  
7 Chicago and Indiana, I guess that surprised me. Why is 10:08:59  
8 that gap there? Could you maybe, on an elementary 10:09:02  
9 level, tell us? 10:09:08  
10 MR. HOLT: Yeah. Chicago Skyways, a road 10:09:09  
11 that's been around for a very long time, had 10:09:14  
12 \$400 million worth of debt on it. \$23 million of net 10:09:17  
13 free cash flow. 10:09:22  
14 We took it to a process. We were the 10:09:23  
15 financial advisor to the city of Chicago, and the high 10:09:29  
16 bid was \$1.8 billion for the concessions. It was just 10:09:33  
17 a tremendous result. And then Indiana followed about a 10:09:37  
18 \$3.8 billion number for their tollway. These are 10:09:41  
19 seasoned roads. And that's really the main difference 10:09:44  
20 here. 10:09:47  
21 These are seasoned roads with current cash 10:09:47  
22 flow. And the difference between the Mountain View 10:09:50  
23 Corridor and these other roads are, you know, current 10:09:57  
24 traffic versus projected traffic. And if, as you saw 10:10:01  
25 that one curve in terms of the back end, where the 10:10:05

1 revenue, three years of new construction, five years of 10: 10: 08  
2 ramp-up, and then, you know, a few more years of not 10: 10: 10  
3 that great of cash flow. It could take 20 plus years 10: 10: 14  
4 for you to really catch up to the amount of financial 10: 10: 17  
5 accrual that occurs, you know, in a situation like 10: 10: 23  
6 this. 10: 10: 26

7 If you have to just -- the simple math is 10: 10: 26  
8 this. If you have to buy -- if you have to borrow a 10: 10: 28  
9 billion and a half dollars to build a road like this, 10: 10: 31  
10 and, you know, it's -- you know, couponing it, you 10: 10: 36  
11 know, five percent, or thereabouts, you've got -- 10: 10: 40  
12 that's right. You've got \$65 million, or \$75 million 10: 10: 44  
13 of accrual every year. And you just have no revenue 10: 10: 48  
14 for ten years. I mean, none. None. You know? 10: 10: 53

15 So if you've got to on have it all up front 10: 10: 55  
16 and you're accruing that kind of a ticket, that just 10: 10: 59  
17 adds, and accrues, and continues to accrue to the 10: 11: 03  
18 balance. 10: 11: 05

19 So it's -- frankly, to the -- most people, 10: 11: 06  
20 it's amazing that anyone would take that gamble to 10: 11: 11  
21 begin with, and put all of that kind of money in up 10: 11: 13  
22 front that build that road. But it's a pretty solid 10: 11: 15  
23 investment . 10: 11: 18

24 The infrastructure is very popular. It's 10: 11: 19  
25 really just a matter of density now versus density on 10: 11: 23

1 an existing road. 10: 11: 26

2 COMMISSIONER WARNICK: One more question. 10: 11: 28

3 To Mr. Nielsten. 10: 11: 30

4 We talked a little bit about the technology. 10: 11: 31

5 Is the technology available to where an individual 10: 11: 35

6 making a short trip, say exit A to exit B, could be 10: 11: 40

7 exempt from the toll? 10: 11: 44

8 MR. NIELSTEN: Absolutely. And it's 10: 11: 47

9 changing rapidly. You have the current generations of 10: 11: 48

10 toll collection. You'll have two more generations by 10: 11: 52

11 the time this road opens in any case. And they will be 10: 11: 53

12 more sophisticated, and (inaudible). 10: 11: 57

13 The answer is, it is there today in some 10: 11: 58

14 degree. There will be more in the future. 10: 12: 00

15 COMMISSIONER BROWN: Commissioner Wells? 10: 12: 05

16 COMMISSIONER WELLS: I just wonder if you 10: 12: 06

17 could explain to us some, in a little more detail, what 10: 12: 08

18 determines whether a toll road is a success or a 10: 12: 11

19 failure. 10: 12: 14

20 MR. NIELSTEN: Let me start that 10: 12: 17

21 conversation then. It's interesting. Chicago Skyway. 10: 12: 19

22 When I first started working the toll business in the 10: 12: 22

23 early '70s, I did this research on all of the prior 10: 12: 25

24 toll roads and how they were doing. And there were two 10: 12: 27

25 or three major blatant failures. The worst failure was 10: 12: 29

1 Chicago Skyway. They missed seven straight years of  
2 interest payment on their bonds, with no hope of ever  
3 recovering they were so far off.

4 Somehow, 30 years later, it's the most  
5 successful toll road in history. Interesting  
6 perspective.

7 I think that you can, on success side, say  
8 if you can build a road and serve people, that in  
9 itself is its own success.

10 There is a financial component, and if you  
11 can -- and obviously if you miss the early financial  
12 payment, the bondholders are disturbed by the process.  
13 If they catch up, in the case of Chicago Skyway or in  
14 the case of the Chesapeake Bay Bridge Tunnel,  
15 eventually you get past that short-term problem, and in  
16 the long-term it can be a very successful facility.

17 There are very few toll roads that make -- I  
18 mean, there have been \$100 billion of revenue financing  
19 in the last few years. There have only been a handful  
20 of minor problems in terms of major financial problems.

21 COMMISSIONER BROWN: Commissioner Bodily?

22 COMMISSIONER BODILY: You're probably well  
23 aware that Utah has not been a state where there's been  
24 a lot of tolling done. Tom Warne's graphic showed that  
25 we are one of the states that has tolling. As far as

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10: 13: 29  
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10: 13: 43  
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1 I'm aware, the only toll road we have is about a 10: 13: 54  
2 quarter mile long and charges a quarter. 10: 13: 57

3 COMMISSIONER WARNICK: \$4 a mile. 10: 14: 02

4 COMMISSIONER BODILY: It's gone up. 10: 14: 04

5 COMMISSIONER WARNICK: \$4 a mile. I use it. 10: 14: 05

6 COMMISSIONER BODILY: What trends have you 10: 14: 09  
7 seen -- I guess Teri maybe would be well prepared to 10: 14: 10  
8 answer this as anyone. 10: 14: 15

9 Do you see any changes in attitude as this 10: 14: 17  
10 has progressed, as we have looked at possibility of 10: 14: 21  
11 tolling? Are the citizens warming up to it at all, or 10: 14: 24  
12 is there resistance building up to it? 10: 14: 28

13 MS. NEWELL: I think, as was expressed 10: 14: 32  
14 earlier, nobody's going to ask for a toll road. But I 10: 14: 33  
15 think the key element is letting them understand why 10: 14: 36  
16 we're even looking at it, and that's that we have this 10: 14: 39  
17 huge funding shortfall. That's been -- the main piece 10: 14: 42  
18 really is to make sure people understand that -- that 10: 14: 45  
19 we're struggling with the way to fund transportation 10: 14: 48  
20 for the future, and this is a possibility that we need 10: 14: 51  
21 to give some consideration, along with everything else. 10: 14: 53

22 Our biggest goal has been to let people 10: 14: 56  
23 understand that, so that they can have these good 10: 14: 58  
24 discussions. Have we seen attitudes changing? I'm 10: 15: 02  
25 not sure that we've seen attitudes change as much as 10: 15: 04

1 that we've seen people become more open to having a 10: 15: 08  
2 good discussion about it, which is, I think, still 10: 15: 11  
3 where we're AT right now. 10: 15: 13

4 MR. NIELSTEN: If I could supplement the 10: 15: 17  
5 question on a slightly different tangent. 10: 15: 19

6 I travel, and I've worked in most all of the 10: 15: 21  
7 states that we've shown on the chart that have toll 10: 15: 23  
8 roads at some point in my career. And everyone, as I 10: 15: 24  
9 go to a state that starts a new toll road says, Well, 10: 15: 26  
10 we're different. Our people don't respond the same way 10: 15: 29  
11 as the rest of the United States. And the answer is, 10: 15: 32  
12 they're really not. There are differences in the value 10: 15: 34  
13 of travel time, because there are differences in their 10: 15: 38  
14 income, and what they pay for a house. But to a large 10: 15: 40  
15 degree, people respond the same way. They are willing 10: 15: 46  
16 to pay a certain amount of money to save time. That's 10: 15: 46  
17 what the whole technical portion of the discussion is 10: 15: 48  
18 about. 10: 15: 50

19 COMMISSIONER BROWN: Commissioner Wilson. 10: 15: 53

20 COMMISSIONER WILSON: There's been quite a 10: 15: 56  
21 lot of talk about success on toll roads around the 10: 16: 00  
22 nation. And I guess, has there been any cases where 10: 16: 03  
23 they have just not worked? And if so, or on this 10: 16: 10  
24 proposed project, who is financially responsible for 10: 16: 16  
25 this project, say ten years, 15, 20 down the road, if 10: 16: 23

1 tolling projections, traffic projection, revenue, just 10: 16: 27  
2 not -- things are just not coming together on this 10: 16: 32  
3 graph that you've showed us here? 10: 16: 36

4 Jeff? 10: 16: 38

5 MR. HOLT: I'LL give you an example. The 10: 16: 39  
6 Orange County toll roads were a big number. And they 10: 16: 42  
7 were also capitalized in an environment where interest 10: 16: 45  
8 rates were very high. And a lot of their debt was 10: 16: 49  
9 subinvestment grade. It was a stretch to begin with. 10: 16: 53  
10 Their traffic projections came in at, I don't know, 10: 16: 56  
11 50 percent or less. And so bondholders essentially are 10: 16: 59  
12 on the hook. And that's -- in that circumstance. 10: 17: 03

13 The bonds have been refinanced, I think both 10: 17: 06  
14 roads there, at least twice, and they're looking for a 10: 17: 08  
15 third time. 10: 17: 11

16 But the value is there now, and they've 10: 17: 12  
17 actually had concession offers to actually sell the 10: 17: 15  
18 road and diffuse all of their debt. 10: 17: 17

19 The counties are sort of struggling with, 10: 17: 20  
20 you know, whether or not they're going to allow that to 10: 17: 22  
21 happen, or if they're going to just try to figure out 10: 17: 24  
22 how to roll it one more time. 10: 17: 27

23 The beauty of a toll road is that every year 10: 17: 28  
24 that goes by you pick up one more year on the back end. 10: 17: 30  
25 So, you know, from a refinancing standpoint, what's 10: 17: 33

1 happened in those roads is even though they've -- 10: 17: 37  
2 they've gotten, you know, the revenue curve looks like 10: 17: 40  
3 it's going to crash with the debt service at some point 10: 17: 43  
4 in time, every time they get close, they have, you 10: 17: 45  
5 know, passed a few more years, and they sort of roll it 10: 17: 47  
6 to the back end. 10: 17: 50

7 That's as bad a scenario as I've seen. I 10: 17: 51  
8 mean, there have been others where they've actually 10: 17: 55  
9 missed debt service payments over time. In those 10: 17: 57  
10 contexts, because the roads are set up non-recourse to 10: 18: 00  
11 a governmental agency, and are all focused on whether 10: 18: 07  
12 bondholders get paid or don't get paid, it's really the 10: 18: 07  
13 bondholders that are at risk. 10: 18: 11

14 In this particular structure that we've 10: 18: 12  
15 outlined, under either of the structures, they -- these 10: 18: 14  
16 bonds, and the financial instruments involved are 10: 18: 17  
17 non-recourse to any governmental agency as well here, 10: 18: 20  
18 so that they don't reflect on the state's credit 10: 18: 24  
19 rating, the Legislature is not responsible to make up 10: 18: 29  
20 any debt service payments, whatnot, if they're missed. 10: 18: 31  
21 The bondholders are given enough reserve funds and 10: 18: 34  
22 other coverages that they realize the risk they're 10: 18: 37  
23 taking. 10: 18: 40

24 The structure is here. The first stop off 10: 18: 40  
25 would be the Federal government, because of the TIFIA 10: 18: 42



1 loan. 30 percent of the borrowing that's being done 10: 18: 45  
2 here is through the Federal Government's TIFIA program. 10: 18: 48  
3 So they would actually be the first dollar lost. 10: 18: 51

4 And then they would come in and say, Okay, 10: 18: 53  
5 how can we work this out for you? Where do we push the 10: 18: 55  
6 debt out to? You know, can we reduce the interest 10: 18: 59  
7 rate? Et cetera. And you sort of work something out 10: 19: 00  
8 with them. 10: 19: 03

9 If it gets really bad, then it starts 10: 19: 04  
10 cutting into the bondholder's debt service. But the 10: 19: 06  
11 way these are structured, that's pretty remote. In 10: 19: 08  
12 this case, practically speaking, it would be some sort 10: 19: 12  
13 of a work-out situation with the Federal government. 10: 19: 14

14 COMMISSIONER BROWN: Thank you. 10: 19: 16

15 Commissioner Lewis? 10: 19: 18

16 COMMISSIONER LEWIS: Do you have time for a 10: 19: 21  
17 couple of questions, or -- 10: 19: 22

18 COMMISSIONER BROWN: Sure. I think we did. 10: 19: 23

19 Ted? Do we have five minutes? 10: 19: 27

20 COMMISSIONER LEWIS: One question I had is 10: 19: 29  
21 kind of a down to an individual thing, of what happens 10: 19: 30  
22 if the individual doesn't have the electronic pass, so 10: 19: 34  
23 to speak, for the tollway? Do they just get picked up 10: 19: 37  
24 and go straight to jail, or what happens to them? 10: 19: 42

25 MR. NIELSTEN: I'm going to respond 10: 19: 45

1 generically, because I don't know what the -- the whole  
2 process we're doing that yet.

3 The standard process for new toll roads  
4 particularly -- and it's interesting. If you're  
5 talking about the Texas experiment in Austin, 34 miles  
6 of road last week. And what they're doing is they have  
7 a user friendly approach. If you're in the wrong place  
8 at the wrong time, take a picture of your license  
9 plate. You made a mistake. If you apply for a  
10 transponder, we'll give that credit against the -- what  
11 we would charge you otherwise. So they're really  
12 trying to turn people from violators to users and  
13 customers over time. And the ultimate test that will  
14 be successful.

15 COMMISSIONER LEWIS: So you're safe in going  
16 on it, then, without going to jail? Is that what  
17 you're saying?

18 MR. NIELSTEN: To a large degree, that's  
19 correct.

20 You know, in the toll business, there are  
21 always some people who try to beat the system. A small  
22 percentage. And eventually the operators catch them.

23 COMMISSIONER LEWIS: Okay. Thank you.

24 The other question is, on the costs for the  
25 entire project, what, in your modeling, what percentage

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1 of error do you figure on there, as far as a toll cost  
2 is concerned?

3 MR. SIBUL: Yeah. We built in a certain  
4 amount of contingencies with the construction costs.  
5 You know, we used the best available data we had at the  
6 time we developed the cost estimates, and then applied  
7 the contingencies to especially large items that had a  
8 lot of unknowns, such as interstate utility  
9 relocations, things like that.

10 We've tried to keep up to speed with all of  
11 the fluctuating construction costs, but they still tend  
12 to go up higher than we can, you know, follow them.

13 But in general, we built in several layers  
14 of the contingencies into the estimate, but they are  
15 based on numbers that are roughly about a year old, but  
16 they still have the contingencies on top of them.

17 MR. NIELSTEN: Matt, just to follow up on  
18 that. If you follow the Texas experiment again, that  
19 was the largest toll road package in history. It was a  
20 \$4.8 billion package of new toll roads. And the state  
21 supported many ways to make it work.

22 However, the good news about it is as they  
23 finished the roads, they have in excess of \$450 million  
24 in savings.

25 They turn that money back to local

1 governments, who applied on the right-of-way for the 10: 22: 02  
2 roadway, and incredibly positive experience. 10: 22: 05

3 COMMISSIONER LEWIS: I won't ask any more. 10: 22: 08  
4 Thanks. 10: 22: 10

5 COMMISSIONER BROWN: Just a couple of quick 10: 22: 11  
6 questions, and then there may be some time for some 10: 22: 12  
7 audience questions. 10: 22: 14

8 Remind me again, how would you deal with 10: 22: 15  
9 out-of-state and those who are not using these toll 10: 22: 27  
10 ways each day that we'll have this electronic device or 10: 22: 27  
11 whatever? How do we collect that? I think I've been 10: 22: 27  
12 told, but I just don't remember. 10: 22: 30

13 MR. NIELSTEN: Again, the policies for 10: 22: 33  
14 segments are in place, but the traditional approach, 10: 22: 35  
15 and there aren't many new all electronics roads. Like 10: 22: 38  
16 if you are SR 91 in California, you must have a 10: 22: 41  
17 transponder to enter this road. You must have a pass. 10: 22: 45  
18 You must have an easy pass. 10: 22: 48

19 COMMISSIONER BROWN: So you're not welcome, 10: 22: 51  
20 is what you're saying? 10: 22: 52

21 MR. NIELSTEN: To a large extent, that's 10: 22: 53  
22 right. 10: 22: 55

23 We've taken this approach as the easy way 10: 22: 56  
24 to analyze the numbers to get preliminary revenues 10: 22: 58  
25 back. There isn't any reason that you can't go to an 10: 23: 02

1 alternative approach that gives a day pass or radio 10: 23: 05  
2 revenue equivalent. What we've done today, this is the 10: 23: 09  
3 simplistic approach to this level of analysis. 10: 23: 14

4 COMMISSIONER BROWN: Let me switch just a 10: 23: 16  
5 little here. 10: 23: 17

6 As we've seen these vending scenarios a 10: 23: 18  
7 number of times, there's always this group. We don't 10: 23: 21  
8 have the ability of getting there with just the tolls. 10: 23: 24  
9 I assume we're looking to state government for -- to 10: 23: 26  
10 fund this gap? And if that's the case, why are they 10: 23: 31  
11 not on the line? 10: 23: 36

12 You're saying that these bondholders would 10: 23: 38  
13 be the first -- I need to help understand that 10: 23: 40  
14 relationship a little better. 10: 23: 43

15 And my recollection, when we went to 10: 23: 44  
16 Colorado and visited their facility, that was not a 10: 23: 49  
17 state sponsored facility. It was a local jurisdiction, 10: 23: 54  
18 or something like that. And there was some upside 10: 23: 57  
19 opportunity for the local jurisdictions. They're not 10: 24: 00  
20 getting any money now, I don't believe, but I do 10: 24: 02  
21 believe, if I remember correctly, there was an 10: 24: 04  
22 opportunity for those local jurisdictions to see some 10: 24: 07  
23 revenue over time with that facility. 10: 24: 10

24 Have we not looked at that for these 10: 24: 12  
25 jurisdictions we might be going through here in Utah? 10: 24: 15

1 MR. HOLT: I'll answer the first one. 10: 24: 19

2 If the state's on the hook to fund the gap, 10: 24: 21  
3 if it's 640 million or if it's 502 million, that's the 10: 24: 27  
4 extent of the obligation. They write a check, the cash 10: 24: 31  
5 goes into the account. 10: 24: 36

6 Where someone is at risk is when we borrow, 10: 24: 36  
7 and we promise to pay certain things, covered by 10: 24: 40  
8 revenue. And if there is a shortfall of these toll 10: 24: 43  
9 revenues versus what we've actually contracted on fixed 10: 24: 46  
10 payments on debt, there's a shortfall. And the 10: 24: 49  
11 question then becomes, who's at risk? 10: 24: 52

12 In the case of these obligations, there is 10: 24: 53  
13 no other -- there is no other revenue, and there is no 10: 24: 56  
14 ancillary pledge from the state, or any other credit 10: 24: 59  
15 agency. So really it's the bondholders that are at 10: 25: 02  
16 risk to get their payments directly from the revenue 10: 25: 07  
17 stream. 10: 25: 09

18 The state's only obligation would be, or 10: 25: 09  
19 anyone's only obligation, that funded that gap, would 10: 25: 13  
20 be the gap itself. Once they write the check, it's 10: 25: 16  
21 done. 10: 25: 18

22 I will say this. The difference between 640 10: 25: 18  
23 million and \$502 million, when you look at what -- 10: 25: 22  
24 essentially you're giving a 99-year concession to a 10: 25: 26  
25 private counterparty. And the state would have to put 10: 25: 32

1 in \$500 million anyway, and then turn the whole road 10: 25: 34  
2 over to a private concession. 10: 25: 40

3 It did occur to us that maybe the trade-off 10: 25: 42  
4 there wasn't that great. We would -- we would really 10: 25: 44  
5 want a lot -- in order to turn that road over, we 10: 25: 48  
6 really looked to have a much greater participation from 10: 25: 51  
7 the private sector in order to get that road under 10: 25: 54  
8 concession for 99 years. 10: 25: 57

9 So when we looked at the comparison between 10: 25: 59  
10 a tax exempt traditional model and \$641 to \$502 million 10: 26: 01  
11 dollar funding gap under a concession model, the 10: 26: 09  
12 question has to be raised, why wouldn't the state just 10: 26: 11  
13 add an additional \$140,000,000, and continue to 10: 26: 14  
14 essentially own or operate the road, and retain the 10: 26: 17  
15 equity itself until such time as an equity builds up in 10: 26: 23  
16 the road, more like the Chicago Skyway, or some other 10: 26: 27  
17 type of road. 10: 26: 31

18 You really aren't getting the bang from the 10: 26: 32  
19 buck out of the concessions model. And that's the 10: 26: 35  
20 conclusion that we came to. 10: 26: 37

21 MR. SCOTT: Commissioner Brown, let me just 10: 26: 40  
22 add one thought. We've got a small piece of work we're 10: 26: 45  
23 working on right now that I think addresses the precise 10: 26: 45  
24 question that you raised. And is there a possibility 10: 26: 48  
25 that we do go to the tax exempt approach, where 10: 26: 50

1 everything is retained, in effect, by the state of  
2 Utah.

3 If the road performs, what happens to the  
4 true excess cash flow over time? And what Carlos and  
5 John, in essence, asked us to do, was explore a  
6 relatively simple model of sharing those excess  
7 revenues as between the state of Colorado and the local  
8 jurisdictions. And we'll have that done pretty  
9 shortly, but it's something that there is -- there is  
10 ample precedent for.

11 I guess the most spectacular is being  
12 Alaska's sharing of oil royalties with the, in that  
13 case the citizens of the state. And the E470, there is  
14 a benefit district that extends on each side of the  
15 right-of-way. And the local jurisdictions participate  
16 in the increment of development. It's like a taxed  
17 increment district, but the increment of development  
18 that would be above and beyond normal expectations.

19 And that has begun to produce some small  
20 sums of money. I think their financials said about  
21 \$300,000 to be split with the local jurisdictions.

22 COMMISSIONER BROWN: Thank you.

23 We've probably run out of time, Ted.

24 MR. KNOWLTON: Yeah. I just wanted to  
25 inform you that the hour is up.



1 Commissioner, if you have any other 10: 28: 17  
2 questions, you're welcome to ask them, or have the rest 10: 28: 18  
3 of the Commission pose those questions. 10: 28: 22

4 COMMISSIONER BROWN: Any other questions? 10: 28: 24

5 I don't think so. Thank you. 10: 28: 26

6 MR. KNOWLTON: At this point we would like 10: 28: 29  
7 to take a ten-minute break. And we will reconvene 10: 28: 31  
8 promptly in ten minutes for our third panel. 10: 28: 35

9 (Whereupon, a break was taken.) 10: 28: 38

10 MR. KNOWLTON: Let's go ahead and reconvene. 10: 43: 29

11 I invite those of you who need to find your 10: 43: 31  
12 seats to do so. 10: 43: 36

13 Turn our attention to the third panel, 10: 43: 39  
14 discussing local issues and the potential impact of 10: 43: 41  
15 tolling to users, from a local leader perspective, and 10: 43: 43  
16 a business perspective. 10: 43: 49

17 With us today is Senator Ed Mayne, who will 10: 43: 52  
18 represent residents of western Salt Lake City and units 10: 43: 56  
19 of the transportation. 10: 44: 00

20 Dave Creer, of the Utah Trucking Association 10: 44: 02  
21 will discuss impacts of the local trucking industry 10: 44: 04  
22 related to tolling. 10: 44: 07

23 Vicki Varela, Kennecott Land, will present 10: 44: 08  
24 transportation and economic development impacts and 10: 44: 12  
25 issues from a local company's perspective. 10: 44: 14

1           Vern Anderson, with the Salt Lake Tribune, 10: 44: 18  
2 will talk about local issues influenced by tolling, 10: 44: 20  
3 such as local public perspectives on the issue. 10: 44: 23

4           And Jay Evensen, with the Deseret News, will 10: 44: 26  
5 also discuss those same issues. 10: 44: 30

6           Let's start with Senator Ed Mayne. State 10: 44: 32  
7 Senator Mayne was born in Bingham Canyon. Graduated 10: 44: 37  
8 from Kearns Junior High School and Granger High School. 10: 44: 42  
9 Went on to Snow College and the University of Utah for 10: 44: 46  
10 his higher education. His legislative assignments 10: 44: 49  
11 included serving on several standing committees, 10: 44: 54  
12 business and labor, senate rules, transportation, 10: 44: 55  
13 public utilities and technology, Work Force Services 10: 44: 59  
14 and community and economic development. He also serves 10: 45: 02  
15 on the appropriation committee for commerce and 10: 45: 04  
16 revenue. 10: 45: 07

17           Thank you so much, Senator Mayne, for being 10: 45: 07  
18 here today. You have about five minutes. 10: 45: 09

19           SENATOR MAYNE: First of all, I want to 10: 45: 13  
20 thank UDOT, the state, and all of the participants for 10: 46: 03  
21 scheduling this meeting. I understand I've got just 10: 46: 08  
22 five minutes to say I'm opposed to tolling, so, you 10: 46: 12  
23 know, I guess that we'll just as well get that 10: 46: 17  
24 statement off right first. 10: 46: 20

25           But I do -- I do appreciate all of the work 10: 46: 22

1 that's been done, and I think I've expressed that over 10: 46: 25  
2 different meetings, that the work that UDOT has done in 10: 46: 29  
3 getting public opinion, and having public hearings. 10: 46: 34

4 I've attended many of those public hearings, 10: 46: 37  
5 and it's kind of interesting. We've just completed the 10: 46: 42  
6 elections, November 7th, just a couple of days ago. 10: 46: 46  
7 And as a candidate for the Utah Senate, I attended a 10: 46: 50  
8 lot of meetings. And one of the issues that was very, 10: 46: 54  
9 very high on the concern of the people in West Valley, 10: 46: 59  
10 Kearns, Taylorsville, and in several meetings with 10: 47: 03  
11 people in Magna, down in West Jordan, was the issue of 10: 47: 08  
12 tolling. 10: 47: 12

13 And there's no question, there's no question 10: 47: 13  
14 that we desperately need the Mountain View Corridor. 10: 47: 15  
15 It needs to be built. And -- to relieve that -- that 10: 47: 19  
16 traffic congestion, and the growth, the extraordinary 10: 47: 24  
17 growth that's going on out on the west side of Salt 10: 47: 28  
18 Lake County. 10: 47: 31

19 Some of the major comments and feelings that 10: 47: 31  
20 people have range from social -- socioeconomic issues 10: 47: 36  
21 of how -- who it impacts the most. Low income people. 10: 47: 42  
22 Business trying to get their commodities to market. 10: 47: 47  
23 Things like that. 10: 47: 52

24 I do want to say that, you know, along with 10: 47: 53  
25 education, health and human services, transportation is 10: 47: 59

1 our third crisis issues in the state of Utah. What 10: 48: 03  
2 needs to be done is a clear direction on how to raise 10: 48: 06  
3 the money for our transportation needs in the state of 10: 48: 13  
4 Utah. 10: 48: 18

5 And that's going to take a lot of courage 10: 48: 19  
6 from a lot of elected public officials, and not just 10: 48: 22  
7 the Legislature. It's going to take courage from the 10: 48: 25  
8 governor. It's going to take courage from county and 10: 48: 29  
9 municipal leaders, but we need to do it. Just like we 10: 48: 33  
10 did on the first phase of Salt Lake County, with the 10: 48: 36  
11 corridor. We need to look at those things. 10: 48: 39

12 But I want to tell you, the feelings of the 10: 48: 43  
13 people from the west side is, Why us? Why only us? 10: 48: 46  
14 And there is those feelings out there. Those -- the 10: 48: 52  
15 people, the residents of the west side of Salt Lake 10: 48: 56  
16 County feel and believe that very strongly. 10: 48: 59

17 So, you know, I think we need to look. If 10: 49: 03  
18 we're going to have this tool in our tool box -- and 10: 49: 07  
19 I've got 134 tools in my tool box too. Never been 10: 49: 10  
20 used -- but we have to use those tools. Then we ought 10: 49: 15  
21 to look at other highways. 10: 49: 17

22 And the Legislature has a tool in its tool 10: 49: 19  
23 box. We can, by legislation, once the highway is 10: 49: 23  
24 built, even though it wasn't intended to be a toll 10: 49: 28  
25 road, make it a toll road. So maybe we need to look at 10: 49: 30

1 the Legacy Highway, upon completion. Highway 6 10: 49: 35  
2 desperately needed to be completed. The St. George 10: 49: 46  
3 loop, and some other areas. So it's not just one 10: 49: 46  
4 segment. The people over in those areas are very 10: 49: 48  
5 concerned. Is it double, triple, quadruple taxation? 10: 49: 51  
6 They've been building roads for everybody else over the 10: 49: 56  
7 years. Now they need a road, and it needs to be built. 10: 49: 59

8 So, you know, we need to -- we need to 10: 50: 04  
9 address this issue. And it's going to take a lot of 10: 50: 09  
10 courage. I think the tolling process itself, we need 10: 50: 12  
11 to look at different optional taxes. But I'll tell you 10: 50: 17  
12 what it would be, and boldly saying it, what we need is 10: 50: 22  
13 a -- is a one-cent state-wide sales tax. One cent. 10: 50: 26  
14 The revenue that that would bring in for the 10: 50: 33  
15 transportation crisis would be enormous. And then we 10: 50: 36  
16 wouldn't need to deal with this issue of tolling. 10: 50: 41

17 I have problems with tolling being owned by 10: 50: 45  
18 a private enterprise, or a foreign government, or 10: 50: 52  
19 something. It's for profit. It's not for the 10: 50: 56  
20 convenience and the moving of traffic of what 10: 51: 00  
21 government's responsibility is. 10: 51: 04

22 I've been told I've got less than one minute 10: 51: 05  
23 left. So let me just say, in addition to being 10: 51: 10  
24 creative and bold, and doing what we need to do as 10: 51: 13  
25 public elected leaders to take care of the issue of 10: 51: 17

1 transportation crisis, who knows? With the elections  
2 last Tuesday, maybe we'll get some more Federal dollars  
3 dealing with domestic issues.

4 Thank you.

5 MR. KNOWLTON: Thank you, Senator Mayne.

6 Next we will hear from David Creer. The  
7 executive director of the Utah Trucking Association.  
8 Utah trucking represents over 400 national and local  
9 companies with over 70,000 Utah workers.

10 Thank you, David Creer, for being with us  
11 today. You have five minutes.

12 MR. CREER: I want to thank all of you, and  
13 especially the Commission, for allowing and inviting us  
14 here today. When we started these meetings early this  
15 morning, I was the only one sitting on the other side  
16 of the road -- of the room, so I appreciate my  
17 colleagues coming and rescuing me over there. But we  
18 do appreciate the opportunity to present to you this  
19 morning.

20 And as you all well know, we have a  
21 difficulty with tolls. They are a real problem. In  
22 fact, there's lots of problems with tolls. There's all  
23 kinds of people who do not want them. There's taxes.  
24 There's the quick fix idea we're trying to solve  
25 something very quickly in the state.

1 But, you know, we think there's even more 10: 52: 45  
2 serious problems with tolls. 10: 52: 48

3 And recently in a Denver toll, started a 10: 52: 49  
4 toll that was quite extensive. They showed what's 10: 52: 54  
5 happened with many tolls within their -- in the United 10: 52: 57  
6 States. And I just want to go through a few quotes 10: 53: 01  
7 here. They reviewed 23 turnpikes in eight states. The 10: 53: 03  
8 majority are failing to meet revenue projections to 10: 53: 07  
9 justify their cost. 10: 53: 09

10 There's all kinds of problems in -- and I 10: 53: 11  
11 think those are the experts. They know there's 10: 53: 15  
12 problems throughout the country with many of these 10: 53: 17  
13 different toll roads in many different states. 10: 53: 20

14 Also, 86 percent of new toll roads in eight 10: 53: 22  
15 states failed to meet expectations in their first full 10: 53: 25  
16 year. These are expectations made by experts about 10: 53: 28  
17 traffic projections and so forth. Even worse, by the 10: 53: 30  
18 year three, 75 percent remain poor performers. The 10: 53: 34  
19 Denver Northwest Parkway, which I have traveled, has 10: 53: 38  
20 attracted just half of the cars forecast since it 10: 53: 41  
21 opened in 2003. 10: 53: 44

22 These are pretty serious risks. Something 10: 53: 45  
23 we need to take note of. 10: 53: 48

24 But we did some of our own calculations 10: 53: 49  
25 about what this would cost, and these are just our own 10: 53: 53

1       analyses. One of our companies helped us with this.

2               If you did the -- went on the full Mountain  
3 View Parkway -- and we just took some assumptions here.  
4 The effective tax rate per route for a car would be  
5 about \$0.47. With tolling, it would go to \$6.39.

6               Even more startling is the cost for fuel.  
7 If you just had a regular -- took just 40 miles and  
8 drove it, you'd have \$2.50. But with tolling, it goes  
9 up to over \$5 a gallon. Even worse than this is what  
10 it causes, and that's why I'm here today, is in the  
11 trucking industry.

12              In the trucking industry, this is  
13 significant. If you just took the I-80 to Lehi and  
14 took one direction, the effective tax rate would be  
15 \$1.61.

16              If you did, with tolling, which would be  
17 over \$25.

18              Now, one of our major carriers here in Utah  
19 did some calculations for us. In a 15-mile -- 1,500  
20 mile haul of freight, their average net is about \$100.  
21 There is no way they are going to pay 25 percent of  
22 their net to use a toll road.

23              Also, on the fuel. It's even more dramatic.  
24 If a truck went down the full length of the Mountain  
25 View Corridor, the 40 miles, it would pay 2.50 a

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10: 55: 01

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1 gallon. If it goes with tolls, it would go up to over 10: 55: 30  
2 \$6 a gallon. 10: 55: 34

3 This is significant. Key significance of 10: 55: 36  
4 this, and everyone needs to know this, is the trucks 10: 55: 41  
5 won't use it. Too many fixed contract freight rates 10: 55: 43  
6 throughout the United States. We can't pass this along 10: 55: 48  
7 very easily. We'd barely be able to pass along a fuel 10: 55: 52  
8 charge. This is a significant cost. You have 10: 55: 56  
9 interstate trucking, and you have -- you have 10: 55: 58  
10 trucking -- intrastate company. The small and medium 10: 56: 05  
11 companies would have a very difficult time. 10: 56: 08

12 I talked to someone who had over 50 trucks 10: 56: 10  
13 just near the Mountain View Corridor, the proposed 10: 56: 12  
14 Mountain View Corridor. And she indicated to me that 10: 56: 16  
15 there was no way that they could have a toll and pass 10: 56: 19  
16 that on to their customer. 10: 56: 22

17 We want this highway. I think that needs to 10: 56: 23  
18 be said here, and powerfully said. This is not just 10: 56: 26  
19 another highway that somebody thought of on the west 10: 56: 29  
20 end of Salt Lake County. This is a strategic 10: 56: 32  
21 transportation corridor. And the reason it's strategic 10: 56: 38  
22 is there's over 100 million square feet of industrial 10: 56: 41  
23 space, warehousing space, distribution space, and 10: 56: 45  
24 terminal space in the northwest corridor. Therefore, 10: 56: 48  
25 the Mountain View Corridor dumps in the center of the 10: 56: 52

1 state of Utah, where all of our industry is, and where  
2 all of our movement.

3 I just did a small survey of our -- of 18  
4 terminals, and we have more than that in the trucking  
5 industry, and there's over 6,000 trucks and 13,000  
6 employees just in this one section of northwest -- of  
7 the northwest county.

8 So we want this highway. This is important  
9 to us. But we really believe that if Mountain View  
10 Corridor is tolled, that it's going to hurt the  
11 economic commerce throughout the state. Everyone  
12 benefits from all of our highways throughout the state.

13 Also, it's unfair, as we've mentioned  
14 before, and Senator Mayne mentioned, to the people on  
15 the west side. And we certainly agree with that.

16 Well, the opposition is growing to Mountain  
17 View Corridor. We have started to talk to people,  
18 we've started to talk to many groups, we've talked to  
19 cities, chambers, and companies. And we have a list  
20 that I have given to the commissioners, of over 200  
21 companies so far, just in a short week or two, that  
22 have said that we oppose tolling Mountain View  
23 Corridor. That's significant. We're talking about  
24 commerce here. We're talking about moving freight.  
25 We're talking about the quality of our life. Yes,

1       there is opposition to tolling this vital highway.

10: 58: 14

2               We talked so much about cars. It's time to  
3 talk about trucks, moving freight, and our economic  
4 viability.

10: 58: 17

10: 58: 20

10: 58: 27

5               We also did a poll. And once you give  
6 voters a little information, and maybe some of the  
7 information today, we found out that 68 percent opposed  
8 tolling.

10: 58: 28

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9               But we want to be part of this. We want --  
10 we think that there's a solution, and we can be part of  
11 this.

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10: 58: 43

10: 58: 45

12               There is a way to build Mountain View  
13 Corridor. It's been mentioned, it's been brought up.  
14 And we support, aggressively, the county option sales  
15 tax. We have been preaching that for years, the  
16 dedicated sales tax needs to go to our roads and  
17 highways, and then transit. And we're partners in  
18 that. And we've been partners, and we want to continue  
19 to be partners.

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20               We think there can be a fuel tax increase.  
21 Even our National American Trucking Association is  
22 lobbying the Federal government to increase the Federal  
23 fuel tax. This is a great way to pay for roads. It  
24 has to be part of a tool box. Yes, it can't pay for  
25 all of the roads. It has to be reasonable and

10: 59: 07

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10: 59: 23

1 dedicated. 10: 59: 26

2 This is unprecedented. We have never been a 10: 59: 26  
3 trucking or a freight industry that has proposed that 10: 59: 30  
4 we increase the fuel tax. But like has been mentioned, 10: 59: 33  
5 that can be part of the tool box. 10: 59: 37

6 We know we spelled sacrifice wrong. I 10: 59: 40  
7 probably did that. But we just wanted to make sure you 10: 59: 43  
8 caught it. 10: 59: 46

9 But everyone's going to have to sacrifice. 10: 59: 46  
10 Everyone is going to have to sacrifice to build this 10: 59: 49  
11 vital road. We want to be partners in that. We want 10: 59: 51  
12 to be part of the solution. But I think it is 10: 59: 54  
13 imperative that you understand that we are major 10: 59: 57  
14 stakeholders in highways. 80 percent of all of the 11: 00: 02  
15 freight in this country moves by truck. This is how we 11: 00: 04  
16 have to go from one point to another. And as a region 11: 00: 07  
17 grows, we need this road. 11: 00: 11

18 So this is vital. We want to be part of it. 11: 00: 12  
19 We want to be partners with you. 11: 00: 15

20 Thank you. 11: 00: 16

21 MR. KNOWLTON: Thank you, Dave Creer. 11: 00: 18

22 Next we will hear from Vicki Varela, the 11: 00: 26  
23 vice president of public policy for Kennecott Lands. 11: 00: 30  
24 She will share with us the perspective of a local 11: 00: 33  
25 company. 11: 00: 36

1 Previously, Ms. Varela was chief of staff to 11:00:38  
2 Mike Leavitt. Currently, Kennecott Land is building 11:00:40  
3 the Daybreak community in South Jordan, and planning to 11:00:43  
4 build seven to ten additional communities along the 11:00:47  
5 west bench over the next 50 to 70 years. 11:00:49

6 Vicki, we're pleased to have you here today. 11:00:55  
7 And you have about five minutes. 11:00:58

8 MS. VARELA: Thank you. It's good to be 11:01:07  
9 here. 11:01:09

10 I want to talk to you from a little bit 11:01:09  
11 different perspective. I want to talk to you about 11:01:11  
12 quality of life. 11:01:14

13 Proposition 3 on the ballot this Tuesday was 11:01:15  
14 a very interesting measure of what's going on in our 11:01:20  
15 valley. 11:01:25

16 We had a proposition that came on to the 11:01:26  
17 ballot, quite late in the process, and language that 11:01:29  
18 wasn't very specific, about what it was going to do. 11:01:34

19 But what people knew about it was that it 11:01:37  
20 would address the need for roads and rail in this 11:01:44  
21 valley. 11:01:47

22 And this ballot, that had very little time 11:01:48  
23 for people to learn about, and not as much information 11:01:56  
24 as they needed, passed with resounding success. I 11:02:03  
25 think that tells us something really important about 11:02:04

1 people's priorities right now. It tells us that they  
2 desperately want good regional transportation. And  
3 that they're willing to pay for it.

4 This all goes into something that Kennecott  
5 Land has been experimenting, has been trying over the  
6 last several years, which is to measure what is good  
7 quality of life for the people in this valley, and how  
8 do we, as a business, deliver it?

9 Several quality of life factors that go into  
10 transportation. The first is our use of time. How do  
11 we, each of us, want to spend our time? Not on the  
12 highways, is what we're all experiencing. That's time  
13 away from our family, from our jobs, from all of the  
14 activities that generate genuine quality of life.

15 Air quality. The longer we're sitting on  
16 the highways, waiting to get to our destinations, the  
17 worse air quality is.

18 Jobs. Jobs is a huge part of the equation  
19 in this valley right now. We're growing. There are  
20 great job possibilities. There's just not enough room,  
21 with good transportation access, for the jobs we can  
22 generate. We communicate frequently with the  
23 governor's office, and with the EDCU, and they are  
24 desperate for research park areas, for job areas in --  
25 with accessible transportation. We're in close

1 communications with the University of Utah. They are 11:03:50  
2 desperate to expand their Research Park facilities, but 11:03:53  
3 they don't have a place to grow with accessible 11:03:57  
4 transportation. 11:03:59

5 So we really need good regional 11:04:00  
6 transportation for structure. People are willing to 11:04:07  
7 pay for good transportation infrastructure. It's not 11:04:11  
8 just rail, it's not just roads, it's good, smart, 11:04:15  
9 long-term planning like the Wasatch Front Regional 11:04:19  
10 Commission is trying to do to make sure we have a well 11:04:22  
11 integrated regional transportation infrastructure. So 11:04:24  
12 then we go to the question of how to pay. 11:04:28

13 Well, I think the how, the key question 11:04:31  
14 there, the how is now. As it was mentioned earlier, 11:04:33  
15 the cost of building Mountain View Corridor increased 11:04:40  
16 by \$80 million a year. Do we want to spend what it 11:04:44  
17 costs now, which is a lot, or do we want to spend 11:04:48  
18 \$80 million more the next year, or the year after that, 11:04:51  
19 or the year after that? It's cumulative, and it's 11:04:54  
20 going to hurt our quality of life if we're not able to 11:04:57  
21 make a decision now to build the necessary regional 11:05:00  
22 transportation infrastructure. 11:05:04

23 We then go to the question of how we do it. 11:05:06  
24 And I think lots of great ideas have been laid out here 11:05:11  
25 throughout the day. We know that the Federal 11:05:14

1 government isn't going to give us what they used to. 11:05:18  
2 About 25 percent of the costs. Gas tax. We know we 11:05:20  
3 need increases in gas tax, but we can't increase gas 11:05:25  
4 tax enough to pay for it. Sales tax, Eddy's raised an 11:05:30  
5 interesting idea about a state-wide sales tax. All 11:05:34  
6 sorts of things we can do with sales tax. Will it be 11:05:38  
7 enough? The discussion here today suggests that all of 11:05:41  
8 these things don't add up to enough. So then that 11:05:44  
9 creates the question for us, do we have to put the toll 11:05:46  
10 road option in the mix? I think we'd all rather not. 11:05:50  
11 But if the rest of the numbers don't add up, we need to 11:05:55  
12 be willing to face this question as part of the quality 11:05:59  
13 of life discussion. 11:06:02

14 It's -- change is really hard. I wish we 11:06:03  
15 could do it the way we used to. But we can't. In a 11:06:09  
16 previous life, we went through a real difficult change 11:06:13  
17 about how we did transportation, and that was the 11:06:18  
18 reconstruction of I-15 under the design-build scenario. 11:06:21  
19 It was hard. But we were in a situation where we 11:06:26  
20 needed to do it now. We all dug in and did it. Dug in 11:06:29  
21 and did it, and it worked well for this valley for our 11:06:36  
22 quality of life, and job creation, and all of the 11:06:39  
23 things that I think are really important to Utahns. 11:06:43

24 Thank you very much. 11:06:45

25 MR. KNOWLTON: Thank you, Vicki. 11:06:49



1           Next we will hear from Vern Anderson, who is  
2           the editorial page editor for the Salt Lake Tribune,  
3           where he has served that post since 2002. Prior to  
4           that, for 23 years, he was a reporter and editor with  
5           the Associated Press and three years as the Tribune's  
6           deputy editor for news. Graduated in 1974 with a  
7           degree in history from Brigham Young University.

8           Thank you so much, Vern, for being here.

9           MR. ANDERSON: Thank you.

10          MR. KNOWLTON: You have five minutes.

11          MR. ANDERSON: Thank you for inviting me  
12          here. I came here to be more of a student than a  
13          speaker. I applaud the -- both the turnout and the  
14          quality of the panel discussions.

15          I'm not going to have a lot to say in terms  
16          of opinion about tolling Mountain View Corridor,  
17          because the Tribune's editorial board hasn't really  
18          weighed in, and wants to know a lot more about it  
19          before we do.

20          I will say, though, that since August, the  
21          Salt Lake Tribune, up until late October, was  
22          interviewing candidates for office in the Salt Lake  
23          valley, both County and House and Senate candidates, as  
24          well as the congressional delegation. And so we almost  
25          uniformly asked the question about Mountain View

1 Corridor, and how these leaders, or would-be leaders in 11:08:45  
2 the Salt Lake valley felt about it. Felt about tolling 11:08:51  
3 Mountain View Corridor. And there was -- there was a 11:08:57  
4 lot of feeling that it -- that the fairness and equity 11:09:03  
5 issue was huge. That they didn't want to have to be in 11:09:05  
6 the position of having to sell, to their constituents, 11:09:10  
7 a toll for Mountain View Corridor, because it -- it is 11:09:18  
8 patently -- or they viewed it as patently unfair. That 11:09:25  
9 the west side of the Salt Lake valley would be burdened 11:09:31  
10 with paying tolls, when those folks up in Davis and 11:09:33  
11 Weber county aren't. And they got their Legacy 11:09:38  
12 Parkway. 11:09:45

13 I suspect that Utah County -- Utah County 11:09:46  
14 residents are going to be equally resistant to the idea 11:09:49  
15 of tolling Mountain View Corridor. 11:09:53

16 This is what we heard. And there was also 11:09:58  
17 feeling, although -- with gaps that we have met with 11:10:04  
18 throughout the year, there was a feeling, although 11:10:07  
19 nobody really wants to speak candidly about it, that 11:10:10  
20 the Legislature really needed to step up and lead the 11:10:18  
21 people -- along with the governor -- lead the people in 11:10:25  
22 a direction that would help to solve, on numerous 11:10:31  
23 fronts, the funding crisis in construction of highways 11:10:32  
24 in Utah. 11:10:37

25 Unmistakably, this is a serious problem, and 11:10:37

1 a very, very pressing need. And I have to say that I 11:10:44  
2 found that, with all due respect to Representative 11:10:47  
3 Lockhart, I found it extraordinary that the Utah 11:10:49  
4 Legislature, out of the gate, takes off the table the 11:10:52  
5 idea of raising the fuel tax, when, manifestly, there 11:10:59  
6 are numbers of revenue streams that have to be tapped 11:11:08  
7 in order to meet these needs. That, to me, for the 11:11:11  
8 sake of political expediency, and a desire not to be 11:11:17  
9 seen as raisers of taxes, shows me that there's a lack 11:11:27  
10 of political courage in the Legislature. 11:11:33

11 I'm not saying across the board, but a lack 11:11:36  
12 of political courage in the Legislature to meet this 11:11:39  
13 problem head on. 11:11:45

14 I'll say one other thing. And that is, that 11:11:50  
15 while this is a meeting to talk about Mountain View 11:11:53  
16 Corridor and whether to toll or not to toll, and it's 11:11:59  
17 not a hearing about mass transit, mass transit, in 11:12:01  
18 terms of the Wasatch Front, is absolutely essential for 11:12:07  
19 solving the transportation crisis along the Front. 11:12:11

20 And it's already been said that if all of 11:12:14  
21 the highways that people have in mind are built, it 11:12:18  
22 still won't -- it still won't solve the congestion 11:12:22  
23 problem. The only thing that will do that, in addition 11:12:28  
24 to building some roads, is mass transit. And this is 11:12:30  
25 particularly true when you talk about quality of life, 11:12:34

1 when you talk about the quality of the air along the 11:12:37  
2 Wasatch Front, which is deteriorating swiftly, and will 11:12:41  
3 continue to do so if we continue to build roads and 11:12:46  
4 don't fund mass transit. 11:12:48

5 That's my personal view. 11:12:50

6 Thank you for inviting me to be here, and 11:12:54  
7 we're looking forward, very much, to a rich public 11:12:56  
8 debate about whether to toll highways. 11:13:00

9 MR. KNOWLTON: Thank you very much, Vern. 11:13:04

10 Next we will hear from Jay Evensen, with the 11:13:10  
11 Deseret News. Editor of the editorial page since 1996. 11:13:15  
12 He joined the editorial board as a writer in 1994, 11:13:27  
13 after an 11-year career as a reporter at the Deseret 11:13:27  
14 News, the Las Vegas Review Journal, the Clinton 11:13:27  
15 Oklahoma Daily News, and at United Press International 11:13:30  
16 in New York City. 11:13:33

17 Thanks so much for being here with us today, 11:13:34  
18 Jay Evensen. Five minutes. 11:13:36

19 MR. EVENSEN: Thank you. I appreciate being 11:13:39  
20 here. Just one minor correction. For those of you who 11:13:42  
21 know me, it's actually pronounced Evensen, and it is 11:13:44  
22 the Deseret Morning News now. But other than that, you 11:13:48  
23 were right on. 11:13:52

24 I appreciate this process. I appreciate 11:13:53  
25 being here. And I think it's kind of -- it's very 11:13:58

1 refreshing to go through this process. You know, I've 11:14:01  
2 lived here about 20 years. I grew up in Phoenix, 11:14:05  
3 Arizona. And during the '60s and '70s, at a time 11:14:08  
4 everybody was worried that Phoenix was going to become 11:14:13  
5 another Los Angeles. And they made a conscious 11:14:17  
6 decisions at that time to avoid construction of any 11:14:19  
7 freeways and highways. And, as a result, the rest of 11:14:22  
8 the country today is planning, because we don't want to 11:14:26  
9 become another Phoenix. So I applaud the planners here 11:14:30  
10 in Utah for being forward looking, and particularly as 11:14:37  
11 regards to mass transit as well. Phoenix is in the 11:14:41  
12 middle now of trying to construct a light rail system, 11:14:45  
13 and I think we're far ahead in those ways. 11:14:48

14 Like Vern, I'm anxious to study this issue 11:14:51  
15 and hear the debate. Deseret Morning News has taken a 11:14:56  
16 rather cautious position in favor of tolling on the 11:15:01  
17 corridor. 11:15:05

18 We do have some concerns about it, but we 11:15:06  
19 want, and we see it as a -- as a viable alternative, 11:15:11  
20 and a viable way to bridge that funding gap. 11:15:15

21 You know, I've heard all of my life about 11:15:19  
22 how westerners are not like everybody else. We heard 11:15:22  
23 that at the construction of light rail. Westerners 11:15:24  
24 aren't going to take mass transit. And we know now 11:15:29  
25 that that's not true. I have in my pocket a \$50 11:15:32

1 monthly pass for Trax, and I take it every morning. 11: 15: 37

2 Now, granted, my newspaper pays for half of that, but I 11: 15: 49  
3 pay that amount because there's a trade-off, and it's 11: 15: 49  
4 important for me to have a reliable way to get to work, 11: 15: 49  
5 and one that's relaxing, and avoids -- it also saves me 11: 15: 53  
6 a lot of money, the wear and tear on my car. And if 11: 15: 57  
7 people see the trade-offs on tolling, I think, you 11: 16: 00  
8 know, if they find it advantageous, I think westerners 11: 16: 05  
9 will take to that as well. 11: 16: 10

10 However, I've examined a lot of the 11: 16: 11  
11 opposition, and a lot of the arguments. And the one 11: 16: 14  
12 that keeps resonating, the one that we keep hearing 11: 16: 19  
13 today does concern fairness. 20 years ago, when I 11: 16: 22  
14 moved to this valley, it didn't take me long to figure 11: 16: 25  
15 out that there is a real east side/west side thing 11: 16: 28  
16 going on in this valley, and there has been forever, as 11: 16: 31  
17 far as I can tell. 11: 16: 34

18 And I think it is a legitimate concern that 11: 16: 35  
19 west-siders would be paying a toll, and east-siders 11: 16: 42  
20 would not. 11: 16: 45

21 And I understand the legal reasons why you 11: 16: 46  
22 can't go back and begin tolling on highways on the east 11: 16: 49  
23 side, but this is a question that I think is going to 11: 16: 53  
24 raise a lot of public reaction and concern. 11: 16: 58

25 I went through some letters to the editor in 11: 17: 02

1 preparation for coming here. I didn't find a whole lot 11:17:06  
2 that had been written on this. I don't think people 11:17:09  
3 have really focused in on this issue yet, except for 11:17:11  
4 some of the interests that are particularly affected by 11:17:13  
5 it. 11:17:17

6 But I think this is going to be a real 11:17:17  
7 issue. 11:17:21

8 It would seem to be fair that a toll would 11:17:22  
9 be in a place where you had a real alternative. For 11:17:26  
10 example, on the Legacy Parkway. If that were to be a 11:17:29  
11 tolled highway, you have an alternative. You can take 11:17:32  
12 I-15, or you can take the tollway. But I don't see 11:17:35  
13 that kind of alternative in play here. 11:17:39

14 We have some other concerns. Any time 11:17:41  
15 you're talking about the possibility of a private 11:17:48  
16 company being involved, I get concerned about 11:17:52  
17 transparency, and making sure that the public has 11:17:56  
18 access to information about how tolls are being 11:17:58  
19 collected, whether they are being collected fairly, and 11:18:02  
20 whether the public has enough oversight over that 11:18:07  
21 process. 11:18:10

22 And we've seen this come up from time to 11:18:11  
23 time. Just off the top of my head, I'm thinking about 11:18:16  
24 the old photo com debate. In Utah we decided not to go 11:18:17  
25 the photo cop route, but in some other places, I think 11:18:20

1 San Diego particularly, a few years ago a judge threw 11: 18: 24  
2 about 700 or so speeding tickets out of court because 11: 18: 29  
3 it had been demonstrated that the private company 11: 18: 33  
4 running the equipment had rigged it in such a way that 11: 18: 35  
5 it was ticketing more people than really was fair. 11: 18: 39

6 So any time you have that kind of a profit 11: 18: 42  
7 motive involved, I think you ought to have really close 11: 18: 46  
8 scrutiny on the part of the public, and transparency 11: 18: 49  
9 for people like us who like to look into these issues. 11: 18: 53

10 It's interesting to me to look at the 11: 18: 56  
11 history of highways in America, because up until the 11: 19: 00  
12 first part of the 19th century, most ridges and canals 11: 19: 02  
13 and roads were privately owned, and they were beginning 11: 19: 08  
14 to go bankrupt and to have real problems with upkeep. 11: 19: 10  
15 And the government -- governments stepped in and took 11: 19: 13  
16 an ownership of those. And ever since then, there has 11: 19: 16  
17 been this tradition of the company of public ownership 11: 19: 20  
18 of highways and roads. 11: 19: 23

19 And so now we're kind of slipping back into 11: 19: 24  
20 what we used to have. Which isn't necessarily bad, but 11: 19: 28  
21 we need to be very careful moving in that direction. 11: 19: 33

22 So, in conclusion, we're very open in this 11: 19: 36  
23 debate. We have said that we think tolling could be a 11: 19: 41  
24 viable alternative, but we're open to arguments. We 11: 19: 44  
25 are concerned, will, a private company, if it is 11: 19: 48



1 involved in this, take good care of the highways? Will 11:19:56  
2 the tolling be too expensive? How do we know whether 11:19:59  
3 the following is expensive or not, or whether it's 11:20:01  
4 reasonable. And the fairness issue. Which I think is 11:20:04  
5 something that really has to be -- has to be taken 11:20:09  
6 seriously. Thank you very much for having me here 11:20:13  
7 today. 11:20:15

8 MR. KNOWLTON: Thank you, Mr. Evensen. 11:20:16  
9 Apologize for the mispronunciation. 11:20:23

10 Thank you to all of our panelists. I'd like 11:20:25  
11 to turn the time over to Commissioner Brown to 11:20:27  
12 facilitate questions from the Commission. 11:20:30

13 COMMISSIONER BROWN: Thank you very much, 11:20:33  
14 Ted. 11:20:35

15 Certainly we've reached that point in our 11:20:36  
16 Commission meeting where we're getting a different 11:20:39  
17 perspective of some of the concerns, and that's 11:20:48  
18 important to us. Many of the issues that's been raised 11:20:48  
19 by this last panel certainly have been on the minds of 11:20:48  
20 the Commission as we've reviewed this for some time. 11:20:49  
21 And obviously they're not easy answers. 11:20:52

22 I'm going to go to Commissioner Wells for 11:20:55  
23 the first question from our Commission. 11:20:57

24 COMMISSIONER WELLS: Okay. I'd like to 11:21:00  
25 address a couple of questions to David, about the 11:21:01

1 trucker's views. And first, I'd like to know if we 11:21:04  
2 don't build Mountain View, how that would impact 11:21:11  
3 truckers, and that -- how this -- I know there are 11:21:13  
4 truckers all around the country who pay tolls in 11:21:18  
5 different states, and how they deal -- how do they deal 11:21:20  
6 with those issues there? 11:21:24

7 MR. CREER: Thank you for your question. 11:21:25

8 We -- again, we really want Mountain View 11:21:31  
9 Corridor. We think it's a strategic corridor, or 11:21:35  
10 transportation corridor. 11:21:37

11 You know, we have to use the roads, and -- 11:21:39  
12 the roads that we have to, and do our best financial 11:21:41  
13 models. I don't think many people understand that most 11:21:44  
14 trucks, at least over-the-road trucks, are satellite 11:21:47  
15 driven, and logistics plays a roll in that. Our one 11:21:51  
16 company here, CR England, has 3,500 trucks that they 11:21:55  
17 run throughout the country. And in the 30 years, they 11:22:00  
18 have never paid a toll in Indiana, or any of those. 11:22:04  
19 They've used secondary roads because of the cost 11:22:08  
20 factor. 11:22:11

21 So the other thing I worry about, in your 11:22:11  
22 second question, it's a serious question you have to 11:22:13  
23 ask yourself, is what happens if this continues, this 11:22:16  
24 forest fire of concessions, or private-owned roads 11:22:20  
25 throughout the country, and especially in the West? 11:22:25

1 We're going to have a patchwork of toll roads with 11: 22: 27  
2 different charges, and different amounts, and different 11: 22: 31  
3 areas. How are we going to keep up with that? How do 11: 22: 34  
4 we bill a customer from going to point A to point B if 11: 22: 37  
5 we have a patchwork of toll roads throughout the 11: 22: 41  
6 country? 11: 22: 45

7 Again, in the East, they've found ways. I'm 11: 22: 45  
8 sure there's sometimes they have to pay that toll. But 11: 22: 49  
9 there's also a cost factor here in doing business. 11: 22: 51  
10 They find ways around that. Parallel roads are very 11: 22: 55  
11 important. But we're very concerned about this 11: 22: 58  
12 patchwork, and what's going -- what signal this would 11: 23: 00  
13 send in the West, a vital road like this, to have a 11: 23: 05  
14 toll road. 11: 23: 07

15 COMMISSIONER WELLS: I'd also like to ask 11: 23: 10  
16 Becky a little bit -- a question about Kennecott Land. 11: 23: 13  
17 She mentioned that they are going to build seven 11: 23: 17  
18 communities along the west bench. And I think that's 11: 23: 22  
19 going to really be a driver for a road like Mountain 11: 23: 24  
20 View Corridor. And I just wondered if she had any 11: 23: 27  
21 thoughts or ideas on how their company might be willing 11: 23: 31  
22 to help participate, or help us to come up with some 11: 23: 32  
23 possible revenue sources or some other ways that we can 11: 23: 37  
24 help with projects like this, because of that impact. 11: 23: 40

25 MS. VARELA: Thanks, Joan. 11: 23: 45

1           Our company comes to this long-term business 11: 23: 47  
2 plan with an eye to partnership in the community. The 11: 23: 52  
3 question you're asking is a what-if, that we don't have 11: 23: 58  
4 a lot of information about it at this point, you know, 11: 24: 02  
5 in terms of where this might go as a tolling option. 11: 24: 08

6           But certainly we will stay very close to the 11: 24: 11  
7 discussion, and are interested in being strong 11: 24: 15  
8 community partners, to ensure that we have the right 11: 24: 21  
9 regional infrastructure to make this a -- to create the 11: 24: 24  
10 great quality of life that we need. 11: 24: 30

11           It's easier to look back at performance than 11: 24: 32  
12 to look forward at what-ifs that we don't know enough 11: 24: 36  
13 about. So I'll give you an example of this 11: 24: 40  
14 Proposition 3, and what led up to that. 11: 24: 43

15           Several years ago, as Kennecott Land was 11: 24: 46  
16 starting up our business, and we recognized that a 11: 24: 51  
17 light rail line was a key component of this great 11: 24: 54  
18 quality of life that we're trying to generate at 11: 24: 58  
19 Daybreak. We realized that the environmental impact 11: 25: 01  
20 statement on the mid Jordan line was going nowhere, 11: 25: 04  
21 because there wasn't enough money for it. And so, as 11: 25: 07  
22 you recall, Commissioner, we pulled together a 11: 25: 10  
23 discussion of all of the communities that the light 11: 25: 14  
24 rail line travels through; Murray, Midvale, West 11: 25: 17  
25 Jordan, South Jordan, and we all partnered to 11: 25: 20

1 contribute the funding that was necessary to get the 11: 25: 25  
2 EIS back on track. 11: 25: 28

3 We're pleased that the mid-Jordan line is 11: 25: 29  
4 now positioned for a construction, and that we could be 11: 25: 33  
5 partners in making that happen. 11: 25: 39

6 COMMISSIONER BROWN: Commissioner Bodily. 11: 25: 45

7 COMMISSIONER BODILY: I don't know that I 11: 25: 48  
8 have any specific questions of any of the panelists, 11: 25: 50  
9 but let me just make a couple of comments concerning 11: 25: 54  
10 the Commission's role, and then I would invite any 11: 25: 58  
11 comment that you might have concerning our positions. 11: 26: 02

12 Now, I've been on the Commission for about 11: 26: 07  
13 nine years now, and until just the last couple of 11: 26: 10  
14 years, we really have not looked into the tolling 11: 26: 16  
15 situation in very much depth. It wasn't something that 11: 26: 20  
16 we considered we were ready for. And maybe we're still 11: 26: 25  
17 not ready for it. 11: 26: 29

18 But as we've -- as a Commission, have been 11: 26: 30  
19 drawn into this discussion, there are a few things. 11: 26: 35  
20 And I'll try to characterize the position of the 11: 26: 38  
21 Commission. It's not necessarily a unanimous position 11: 26: 42  
22 probably, but there are some things that we have 11: 26: 48  
23 considered in the area of tolling then. One thing in 11: 26: 51  
24 particular, we've felt that it wasn't fair to create a 11: 26: 57  
25 toll road if it was the only alternative for local 11: 27: 02

1 travelers to access. If there wasn't another feasible 11:27:06  
2 alternative, we didn't want to create a toll road and 11:27:11  
3 force them into paying that toll. Now, as time has 11:27:19  
4 gone on, we've seen these possibilities, and one that 11:27:25  
5 was mentioned was the Legacy Highway, and possibly, if 11:27:28  
6 that had been considered early on in the process, that 11:27:32  
7 might have been considered a toll road right from the 11:27:35  
8 onset. 11:27:38

9 And I wouldn't rule out the fact that it may 11:27:39  
10 some day be a toll road too. But we want those 11:27:42  
11 alternatives available before we designate toll roads. 11:27:48

12 We look at the needs, the current needs, and 11:27:52  
13 the projected needs, and factor in the costs that are 11:27:55  
14 involved. And we've -- that's been discussed to quite 11:27:59  
15 an extent today, that there are escalating costs that 11:28:03  
16 we have to deal with. And we don't want to delay this 11:28:08  
17 at some high expense in the future. I think it's been 11:28:14  
18 pointed out that there is the need, and we all pretty 11:28:19  
19 much concur in that. 11:28:22

20 But those have been some of the basic ideas 11:28:23  
21 that we have dealt with as a Commission, and I would 11:28:31  
22 ask that, if there are -- if we are on the wrong track, 11:28:34  
23 let us know how you feel about it. 11:28:38

24 I'd solicit any comments that you might 11:28:41  
25 make. 11:28:45

1 COMMISSIONER BROWN: Who would like to 11:28:46  
2 respond to Commissioner Bodily? Any of the panelists? 11:28:48  
3 Senator? 11:28:52

4 SENATOR MAYNE: Thank you, Mr. Chairman, and 11:28:53  
5 thank you for the question. 11:28:58

6 You know, I think that this whole issue of 11:28:59  
7 tolling has brought to the public commerce, to all of 11:29:03  
8 the stakeholders, that we really do have a crisis in 11:29:10  
9 transportation. It's not that we haven't been told. 11:29:14  
10 The Legislature and all of the stakeholders over the 11:29:19  
11 years, through UDOT and others, that we do have a 11:29:22  
12 crisis in transportation, but nobody takes it really 11:29:25  
13 seriously until it's come in to their back yard, or, 11:29:28  
14 you know, not having -- being able to move commerce, or 11:29:34  
15 traffic. 11:29:39

16 So I think we're in a -- in a very, very 11:29:40  
17 important period of time that we can take and make 11:29:45  
18 some -- those bold moves to fund transportation, for 11:29:50  
19 the whole -- for the whole state of Utah. I think we 11:29:55  
20 need to use this as an opportunity to get all of the 11:29:58  
21 stakeholders involved and say, just like we did in Salt 11:30:03  
22 Lake County for the quarter cent, we need to do it for 11:30:08  
23 a state-wide transportation plan, and financing. 11:30:11

24 Conversely, the issues that we have raised, 11:30:17  
25 and that this panel has talked about, the fairness 11:30:21

1 issue, being the only one, and I agree with you. That 11: 30: 25  
2 we do have that ability. 11: 30: 30

3 As I've checked with Legislature research, 11: 30: 33  
4 and general counsel, the Legislature can make toll 11: 30: 36  
5 roads out of completed projects. So that puts just 11: 30: 41  
6 about everything up in the air. But I think that the 11: 30: 45  
7 Legislature, at least if they're smart enough, will 11: 30: 51  
8 understand that we're -- the transportation crisis is 11: 30: 55  
9 everybody's crisis, not just one part of the valley. 11: 30: 59

10 The last part is, is if we -- if we single 11: 31: 03  
11 out one area, those same legislatures, like myself, 11: 31: 10  
12 that is ready to deal with the crisis, some of us have 11: 31: 17  
13 been ready to deal with it for several years, but those 11: 31: 22  
14 of us that are ready to deal with it, and make it an 11: 31: 26  
15 issue this year, or a special session, you're going to 11: 31: 31  
16 lose us, because if we get singled out, and there's not 11: 31: 34  
17 a fairness, there's not a plan, then this Commission, 11: 31: 38  
18 and the decision you make could alienate a whole 11: 31: 44  
19 corridor of legislators that say, you stick it to us, 11: 31: 51  
20 we'll stick it on the rest of you. And that's 11: 31: 55  
21 unfortunate, but it's a reality of life, especially to 11: 31: 57  
22 those people who are living along that corridor. We 11: 32: 01  
23 need to build a corridor, we need to build it now, we 11: 32: 04  
24 need to address the needs of funding transportation 11: 32: 07  
25 state-wide, and let's use this as an opportunity. 11: 32: 10



1	COMMISSIONER BROWN: David?	11: 32: 16
2	MR. CREER: Commissioner, you brought up a	11: 32: 17
3	question about a secondary road, parallel road. We	11: 32: 19
4	didn't have time to get into that in the presentation,	11: 32: 22
5	and I'm not sure I heard it from anyone else, but	11: 32: 24
6	that's a whole dialogue that could be in another	11: 32: 28
7	meeting about who's going to use a toll road, and who's	11: 32: 31
8	going to use secondary roads through these counties and	11: 32: 34
9	cities. You need to think about the elderly. You have	11: 32: 38
10	to think of the young driver. The small business.	11: 32: 40
11	Who's going to use the toll road? Who's going to pay?	11: 32: 42
12	Even our experts here and consultants are	11: 32: 45
13	telling us that the projections, even if you build the	11: 32: 47
14	road, it takes years for any -- you know, the	11: 32: 50
15	projections to use the road, to come forefront.	11: 32: 53
16	I mean, I've been on the California road,	11: 32: 57
17	and you hardly see any traffic over there. When I	11: 32: 59
18	first went on it, I just -- what's going on here? It	11: 33: 01
19	will take years for people to come around to that. But	11: 33: 03
20	what about the secondary roads? How safe are they?	11: 33: 06
21	What kind of drivers are you putting on the secondary	11: 33: 09
22	roads? What are we doing to the rest of our system if	11: 33: 12
23	you have a toll road?	11: 33: 15
24	So you are able and can afford to pay a	11: 33: 17
25	toll, you get to go on a road that doesn't have much	11: 33: 20

1 traffic? But a lot of the other population has to go 11: 33: 23  
2 onto a secondary road. What kind of drivers are on 11: 33: 27  
3 that road? What kind of safe drivers? 11: 33: 31

4 These are issues that, you know, we didn't 11: 33: 33  
5 have time to get into today, but I think they're 11: 33: 35  
6 very -- I know there are some mayors in this room that 11: 33: 39  
7 are concerned about that in their own districts. Of 11: 33: 43  
8 what's going to happen as people take alternative 11: 33: 43  
9 routes? Because not everyone is going to pay a toll. 11: 33: 46

10 MS. VARELA: Your question and a lot of 11: 33: 50  
11 other comments that we heard from this panel go to the 11: 33: 56  
12 fairness issue. And I think we need to look at 11: 33: 58  
13 fairness from a little different perspective than in 11: 34: 01  
14 the discussion so far. 11: 34: 05

15 It has surprised me that, in this whole 11: 34: 07  
16 Proposition 3 discussion, no one has said why is all of 11: 34: 11  
17 the money on Proposition 3 going to the west bench? 11: 34: 17  
18 Why don't we get any on the east bench? Because 11: 34: 22  
19 really, not a penny of that proposition is going to 11: 34: 26  
20 address transportation issues on the east bench. 11: 34: 30  
21 You've got the airport line, the West Valley City line, 11: 34: 32  
22 the mid-Jordan line, the Mountain View Corridor, and 11: 34: 37  
23 the Draper -- you know, we'll give them that Draper is 11: 34: 42  
24 in the middle. 11: 34: 46

25 In that whole discussion, nobody's been 11: 34: 47

1 grouchy about the fact that we are beefing up the west 11: 34: 51  
2 bench regional transportation infrastructure. And I 11: 34: 55  
3 think that's because we all know that there's a 11: 34: 59  
4 desperate need, and we're willing to raise the taxes to 11: 35: 01  
5 pay for it. 11: 35: 05

6 So I think we've all got to think 11: 35: 06  
7 regionally, and recognize that the way we're building 11: 35: 12  
8 things is generational, and nothing's happening in 11: 35: 17  
9 highway construction the way it did in the 1950s, 11: 35: 22  
10 including the way we're paying for it. 11: 35: 27

11 COMMISSIONER BROWN: Commissioner Warnick. 11: 35: 32

12 COMMISSIONER WARNICK: Fairness issue is one 11: 35: 34  
13 that's certainty been very important to us and will 11: 35: 36  
14 continue to be important to us as we -- as we continue 11: 35: 38  
15 our deliberations. 11: 35: 41

16 This Commission is -- has made a decision 11: 35: 43  
17 that we will consider tolling on all of the roads. No 11: 35: 46  
18 doubt the first road is going to be very painful, 11: 35: 50  
19 whichever one that is. 11: 35: 52

20 Senator Mayne. I asked this question 11: 35: 53  
21 earlier to Mayor Nordfelt, but appreciate maybe some 11: 35: 56  
22 response from you. 11: 36: 01

23 What do you think the citizenry that you 11: 36: 01  
24 represent out there, what do you think their 11: 36: 04  
25 expectations are as to when that Mountain View Corridor 11: 36: 06

1 will be in place? 11: 36: 10

2 Five years? Ten years? 15? 20. 11: 36: 11

3 SENATOR MAYNE: Well, I think they're 11: 36: 15  
4 reacting to a -- you know, seeing all of the growth, 11: 36: 25  
5 the nominal growth out on the west side of Salt Lake 11: 36: 25  
6 County. They're starting to see bottlenecks in their 11: 36: 27  
7 communities. And it's not just north/south, it's 11: 36: 30  
8 east/west also. 11: 36: 33

9 UDOT, that -- and your Commission has 11: 36: 34  
10 identified one area that we just had a ground breaking 11: 36: 38  
11 to widen 5600 West. And that needs to be completed all 11: 36: 43  
12 the way from I-80 as far as down to 6200 South or more. 11: 36: 48

13 But the people out in -- and I think in any 11: 36: 55  
14 part of the state, when you have a crisis, that's when 11: 37: 02  
15 you address it. 11: 37: 06

16 I mean, you've got to have vision, and 11: 37: 07  
17 you've got to have planning. And I think that's where 11: 37: 10  
18 we're at right now. 11: 37: 12

19 And right now, there -- they're getting 11: 37: 13  
20 around okay. But the bottlenecks are coming. And as 11: 37: 18  
21 the growth continues, then, you know, the more demand 11: 37: 23  
22 is going to be for this to be completed. When do they 11: 37: 31  
23 figure it's going to be done? Tomorrow. I mean, we 11: 37: 34  
24 can all, you know, wave the magic wand, and that -- and 11: 37: 37  
25 that Mountain View Corridor is going to be built, or 11: 37: 40

1 other areas of crisis in the state.

11: 37: 45

2 I think that's just human feeling, or human  
3 nature, to expect that.

11: 37: 48

11: 37: 52

4 I don't think people really realize that  
5 there's a lot of work that be done before that's to be  
6 built, whether it's corridor preservation, whether it's  
7 putting it together. But I think that, you know, the  
8 issue of tolling is just going to be right there.

11: 37: 53

11: 37: 56

11: 38: 01

11: 38: 04

11: 38: 08

9 That's why we need to take the step and fund public

11: 38: 11

10 transportation needs for everybody, whether it's west

11: 38: 16

11 side, east side, or around the state of Utah. And

11: 38: 19

12 those roads, that when we get finished, we could make

11: 38: 25

13 them tolls, but it's going to have to be fairness, and

11: 38: 29

14 let's not isolate one group.

11: 38: 34

15 COMMISSIONER WARNICK: Do you know how much  
16 your increased general sales tax is off the top of your  
17 head, or maybe someone does?

11: 38: 36

11: 38: 38

11: 38: 41

18 SENATOR MAYNE: A state wide sales tax?

11: 38: 45

19 COMMISSIONER WARNICK: Of one cent?

11: 38: 48

20 SENATOR MAYNE: Absolutely. I totally  
21 support that.

11: 38: 49

11: 38: 51

22 COMMISSIONER WARNICK: How much money?

11: 38: 52

23 What's the dollar amount it generates?

11: 38: 53

24 SENATOR MAYNE: John? Do you know that?

11: 38: 56

25 Commissioner Ellertson maybe.

11: 39: 02

1           COMMISSIONER ELLERTSON: I inquired on that 11:39:04  
2 of one of the state legislatures that's been dealing 11:39:06  
3 with the transportation issue, and he informed me it 11:39:08  
4 was \$116 million annually. 11:39:11  
5           COMMISSIONER WARNICK: State wide? 11:39:13  
6           COMMISSIONER ELLERTSON: State wide. 11:39:15  
7           COMMISSIONER WELLS: Is that a quarter cent 11:39:20  
8 or one cent? 11:39:21  
9           SENATOR MAYNE: It's a quarter. It's up. 11:39:23  
10          COMMISSIONER WARNICK: That's a quarter. So 11:39:25  
11 500 million maybe? 11:39:29  
12          SENATOR MAYNE: It's going to be close to 11:39:31  
13 500 million a year. And that's a lot of money to -- 11:39:33  
14 you know. That -- that would really start taking care 11:39:37  
15 of our transportation crisis. 11:39:41  
16          COMMISSIONER BROWN: Okay. Commissioner 11:39:44  
17 Ellertson. Have you got -- 11:39:47  
18          COMMISSIONER WARNICK: I'm through. 11:39:49  
19          COMMISSIONER MILLINGTON: Do you mean me? 11:39:51  
20 Okay. I've got -- 11:39:53  
21          COMMISSIONER BROWN: I was thinking 11:39:59  
22 something else. 11:40:00  
23          COMMISSIONER MILLINGTON: That's okay. 11:40:01  
24 Mr. Creer, you tossed around some numbers, 11:40:02  
25 intended for the shock value I'm sure, for the 11:40:06

1 gasoline. And the 68 percent opposed to tolling. I'm 11: 40: 10  
2 in the stats business, so I'd like to see the detail 11: 40: 14  
3 behind those studies. Will you make those details 11: 40: 17  
4 available to me, please? 11: 40: 20

5 MR. CREER: Absolutely. 11: 40: 22

6 COMMISSIONER MILLINGTON: Thank you. 11: 40: 23

7 Mr. Evensen, you mentioned that you -- you 11: 40: 24  
8 take Trax to work, partially because it's subsidized. 11: 40: 27  
9 How do you get from your home to where you pick up 11: 40: 33  
10 Trax? 11: 40: 35

11 MR. EVENSEN: Generally I drive. It's about 11: 40: 37  
12 a five-mile drive to the station, but I have taken the 11: 40: 39  
13 bus on occasion to get there. Driving is a lot more 11: 40: 42  
14 fun. 11: 40: 47

15 COMMISSIONER MILLINGTON: Yeah, driving is 11: 40: 48  
16 much more convenient. That's the whole point. 11: 40: 49

17 And to Senator Mayne mentioned the line, he 11: 40: 52  
18 doesn't like the idea of foreign ownership of roads or 11: 40: 55  
19 infrastructure. I would point out the fact that in the 11: 40: 58  
20 last five years, the United States government has gone 11: 41: 03  
21 into debt some four billion -- or four trillion 11: 41: 09  
22 dollars, and 80 percent of that is owned by foreigners. 11: 41: 13

23 We seem not to be so concerned about -- 11: 41: 16  
24 about what's going on at that level, and yet, when we 11: 41: 19  
25 talk about a foreign entity owning some infrastructure, 11: 41: 22

1 because they're -- foreigner are owning huge amounts of 11: 41: 29  
2 our infrastructure in the United States, obligations 11: 41: 31  
3 that we somehow seem to ignore and not able to take 11: 41: 41  
4 care of, and yet here, we're showing a way to raise 11: 41: 41  
5 money, maybe some foreigner may be coming in. 11: 41: 42

6 That was never brought up by anyone but you. 11: 41: 48  
7 And I'm -- I just respond by saying, you know, we, here 11: 41: 51  
8 in the United States, have exposed ourselves to foreign 11: 41: 57  
9 ownership of our capital and infrastructure anyway. 11: 42: 00

10 SENATOR MAYNE: Don't feel shocked, but a 11: 42: 03  
11 lot of us are concerned about that national debt. 11: 42: 06  
12 We're here to discuss tolling and roads, but I'll tell 11: 42: 09  
13 you, there's a lot of us concerned about who owns 11: 42: 13  
14 America. If you want to debate that, I'd love to 11: 42: 16  
15 debate that whole thing with you. 11: 42: 21

16 COMMISSIONER MILLINGTON: So would I. Let's 11: 42: 24  
17 get together and do that over lunch some day. 11: 42: 25

18 SENATOR MAYNE: At the selling of America. 11: 42: 29

19 I've also got to tell you I was on a 11: 42: 31  
20 conference call with some new designers of the bluing 11: 42: 34  
21 of America, and they're talking about what could 11: 42: 37  
22 happen. And I think you're going to see more focus on 11: 42: 42  
23 domestic issues. And I think transportation, you're 11: 42: 46  
24 going to see more money being focused on the state's 11: 42: 53  
25 crisis nationwide on transportation. So I -- I'm 11: 42: 59



1 not -- I'm not going to say that we're not going to get 11: 43: 01  
2 more money from a national level, and I think a lot of 11: 43: 04  
3 other things are going to -- we're going to see some 11: 43: 08  
4 domestic issues take place precedent over what we're 11: 43: 12  
5 seeing right -- last six years. 11: 43: 16

6 Finally, thank you. 11: 43: 19

7 COMMISSIONER BROWN: Commissioner Wilson? 11: 43: 21

8 COMMISSIONER WILSON: Thank you. 11: 43: 22

9 I live down in rural Utah, Emery County, 11: 43: 25  
10 Carbon County, where there's a lot of coal produced. 11: 43: 31  
11 We have trucks down there as well too. And when 11: 43: 34  
12 there's been some discussion here about trucks on 11: 43: 39  
13 secondary roads because they won't use toll roads, 11: 43: 43  
14 because of cost, whatever, trucks and senior citizens, 11: 43: 48  
15 elderly drivers, even us farmers, we don't get along 11: 43: 55  
16 very good. It's very hard, on a road like Highway 10, 11: 44: 00  
17 and 6, for people to mingle in, and cross, and get in 11: 44: 06  
18 the flow of traffic with trucks. It's very dangerous. 11: 44: 14  
19 We've had many accidents, even on Highway 10, with 11: 44: 18  
20 these coal trucks down there. 11: 44: 22

21 But I feel, having said that, I feel bad for 11: 44: 23  
22 you people up here that has all of these problems up 11: 44: 29  
23 here, with congestion, and all of this growth. You've 11: 44: 31  
24 got big problems. But as a state, in -- as a whole, 11: 44: 36  
25 hardly anywhere we go throughout the state, as a 11: 44: 41

1 commissioner with UDOT, we find people with urgent 11: 44: 45  
2 needs for transportation. Even down into the 11: 44: 51  
3 maintaining of their local government roads. UDOT 11: 44: 56  
4 roads. 11: 45: 00

5 So I guess I would ask, if we do not toll, 11: 45: 01  
6 what is the possibility, even if we raise sales tax, 11: 45: 07  
7 can we build the roads and the transportation system 11: 45: 12  
8 and meet the crisis that we're in, through, perhaps 11: 45: 17  
9 other sources of funding? Without tolling, how can we 11: 45: 22  
10 deal with and -- with the needs, and come up with the 11: 45: 26  
11 funding that we need to deal with these crises now? 11: 45: 30

12 And I guess, Senator Mayne. We are coming 11: 45: 35  
13 to the close of the CHEF program, Centennial Highway 11: 45: 40  
14 Endowment Fund, that you people created to take care of 11: 45: 46  
15 some needs years ago. And is there any discussion, or 11: 45: 48  
16 planning for another program such as the CHEF, through 11: 45: 55  
17 the Legislature, perhaps bonding, that would perhaps 11: 45: 59  
18 take care of some of these emergency needs here in the 11: 46: 02  
19 Wasatch Front, and throughout the state? 11: 46: 05

20 SENATOR MAYNE: First of all, I would say I 11: 46: 07  
21 hope so. I hope that the Legislature -- 11: 46: 09

22 It's all about choices and priorities. 11: 46: 13  
23 Sometimes we get our choices and priorities wrong. 11: 46: 15

24 But hopefully, that those three areas that 11: 46: 18  
25 I've identified as crises for the state of Utah, 11: 46: 22

1 public, health and union services, and transportation, 11: 46: 27  
2 gets addressed. 11: 46: 30

3 Now, I would hope that we would do that. 11: 46: 30  
4 Number one. 11: 46: 33

5 But if you -- if we, as a state, take the 11: 46: 34  
6 initiative of putting a set sales tax on, and all of a 11: 46: 39  
7 sudden we've got a funding stream of a half a million 11: 46: 46  
8 dollars, annually, coming in, \$500 million plus, as the 11: 46: 49  
9 populations goes, then your bonding, and a lot of other 11: 46: 56  
10 things, are a lot easier to get more money to, you 11: 47: 03  
11 know, to target those roads that need to be done right 11: 47: 07  
12 now, and in an emergency situation. 11: 47: 10

13 And we -- you all are doing a great job. 11: 47: 12  
14 I -- I don't -- Glen and you all have done a great job. 11: 47: 16  
15 So has UDOT. And I think that we just need to take it 11: 47: 22  
16 the next step and do what we need to do as a state 11: 47: 25  
17 county municipal government to say, we are in a crisis, 11: 47: 30  
18 and we need to deal with it. And this is the first 11: 47: 33  
19 step. 11: 47: 37

20 COMMISSIONER WILSON: Thank you. 11: 47: 40

21 SENATOR MAYNE: There are a lot of us that 11: 47: 41  
22 are there with you. 11: 47: 43

23 COMMISSIONER BROWN: Commissioner Lewis. 11: 47: 43

24 COMMISSIONER LEWIS: There's not a lot of 11: 47: 45  
25 good questions to ask, but I think I'll pass on mine 11: 47: 48

1 and allow you and others that are maybe interested in 11: 47: 50  
2 asking questions. 11: 47: 54

3 Thanks. 11: 47: 55

4 COMMISSIONER BROWN: Thank you, 11: 47: 56  
5 commissioner. 11: 47: 57

6 We've never had anyone from the audience, 11: 47: 57  
7 and I'm sure we want to try and get -- let them have 11: 47: 59  
8 some swing at this. 11: 48: 03

9 Let me just make one or two observations 11: 48: 04  
10 from my perspective. 11: 48: 07

11 Whenever I read that we've got a large 11: 48: 09  
12 budget surplus, I know our congestion is growing. I 11: 48: 14  
13 think that's -- I think there's quite a correlation 11: 48: 20  
14 between that. We just know that the economy is 11: 48: 23  
15 growing, and it's whether or not we're keeping up the 11: 48: 25  
16 infrastructure, and we're not. 11: 48: 28

17 And the one difficulty we have here today 11: 48: 30  
18 is, we realize there's not one solution, or one source 11: 48: 36  
19 going to solve this that I can envision. It's going to 11: 48: 39  
20 take a combination of coming together and pushing some 11: 48: 43  
21 different areas to make it happen. 11: 48: 46

22 And when you're a legislator, and 11: 48: 48  
23 Senator Mayne knows this as well or better than I do, 11: 48: 55  
24 this will be one of the major decisions you'll be 11: 48: 57  
25 making, because you're going to have -- you've got 11: 49: 00

1 bulges in the education budget, you've got all of these 11:49:04  
2 things coming at you, so you'll never be able to just 11:49:07  
3 focus as a legislator on just this issue. You would 11:49:11  
4 like to think you can, but you can't. That's not 11:49:13  
5 reality. You'll have to do it all in the framework of 11:49:18  
6 all of the other needs that are out there, and not -- 11:49:29  
7 and that's why I've felt that it's important that you 11:49:30  
8 continue to have this discussion about tolling. 11:49:30

9 I'm concerned about fairness too. I don't 11:49:30  
10 know how you get by the fairness if you choose to 11:49:30  
11 implement a tolling process in Utah. Somebody's going 11:49:33  
12 to feel that's unfair. I don't know how you begin it 11:49:38  
13 without trying to find two or three roads that you can 11:49:41  
14 you do or whatever, because the fairness is a tough 11:49:44  
15 issue to deal with. And I respect those that feel that 11:49:47  
16 it's unfair if it's in their area. But when you try to 11:49:49  
17 figure out all of the tools that you've got available, 11:49:52  
18 I think we have to seriously look at it, and one of the 11:49:55  
19 tools that has to be considered as we try to solve this 11:49:59  
20 problem. 11:50:03

21 I trust that our elected officials will be 11:50:03  
22 responsible, and they'll come to the table and we'll 11:50:06  
23 try to find a solution for meeting this rapidly growing 11:50:08  
24 infrastructure that's on us. And it's here, and it 11:50:13  
25 appears to be moving forward with quite a bit of 11:50:17

1 motion, even yet. But somehow we seem to like it, I 11: 50: 21  
2 guess. We advocate it, and we're a part of it, so. 11: 50: 26

3 Ted, I think I'll conclude there. 11: 50: 32

4 I really appreciate, in behalf of the 11: 50: 34  
5 Commission, all of you make your -- take your time and 11: 50: 37  
6 made the effort to be here. 11: 50: 40

7 We know that we're not in this alone. We're 11: 50: 41  
8 only just one of your neighbors, that's here trying to 11: 50: 44  
9 serve the public in these responsibilities. We're 11: 50: 47  
10 doing our best to listen, to learn, and to understand, 11: 50: 50  
11 and to respond. And we respect your judgement, respect 11: 50: 53  
12 your experience, your knowledge, and all that you have, 11: 50: 57  
13 and we're just trying to make the right decisions for 11: 51: 02  
14 the citizens of this state. 11: 51: 04

15 MR. KNOWLTON: Thank you, commissioner. 11: 51: 07  
16 Thank you, commissioners. Thank you to all of our 11: 51: 09  
17 panelists. 11: 51: 11

18 Thank you to the audience for your patience. 11: 51: 12  
19 Let's get to your turn. 11: 51: 15

20 If I could ask you to, if you have a 11: 51: 17  
21 question or comment, to approach the center mic. Let 11: 51: 20  
22 me acknowledge you. Ask your question. 11: 51: 23

23 I'll go ahead and try to find the 11: 51: 26  
24 appropriate panelist to -- or commissioner to respond 11: 51: 28  
25 to that. 11: 51: 32

1           If you have a comment, if you could keep it 11:51:33  
2       to within about two minutes, since we're short on time. 11:51:34

3           AUDIENCE MEMBER: Thank you. My name is Tim 11:51:40  
4       Parker. I'm the mayor of Saratoga Springs. North end 11:51:42  
5       of Utah County. I have two major areas of concern that 11:51:46  
6       I just want to comment on briefly. 11:51:49

7           The first one is, what impact, or what role 11:51:51  
8       should this road play? And my sense is is that as a 11:51:56  
9       toll road, that it's going to be much more of a through 11:51:59  
10      kind of a road than it is going to be a road to address 11:52:02  
11      local interests. Like I doubt that I would hop on a 11:52:04  
12      toll road to travel a mile to another exit to get off 11:52:09  
13      to go shopping. I would end up using the service 11:52:13  
14      street. So I do have a concern as to what impact a 11:52:16  
15      toll road would have on the local infrastructure 11:52:18  
16      responsibility of the city and counties. 11:52:22

17           My second comment has to do with my concern 11:52:24  
18      that beginning to establish toll roads in Utah, in my 11:52:26  
19      opinion would lead to some stratification that -- in 11:52:31  
20      society that we don't necessarily want to see. The 11:52:35  
21      toll roads versus the free roads. And I'd be the guy 11:52:38  
22      using the free roads, I'm afraid. My budget, I look at 11:52:41  
23      these numbers, think I'd much rather pay the one cent 11:52:46  
24      sales tax, where I may have to be paying the same 11:52:49  
25      amount over time as I might if I'm paying a toll for 11:52:52

1 all of the miles I travel.

11: 52: 57

2 But I concur on the unfairness aspect.

11: 52: 58

3 Thank you.

11: 53: 04

4 MR. KNOWLTON: Thank you, mayor.

11: 53: 05

5 Other comments or questions?

11: 53: 07

6 Go ahead.

11: 53: 11

7 AUDIENCE MEMBER: Thank you. My name is

11: 53: 12

8 Wendy Bagley, resident of Eagle Mountain City. I'm a

11: 53: 13

9 mother of three and a half children, and I have a

11: 53: 16

10 bachelor's degree in political science.

11: 53: 18

11 Commissioners, thank you for holding this

11: 53: 20

12 meeting. This is definitely a far cry from several

11: 53: 22

13 years ago, the attitude of we'll stop issuing building

11: 53: 25

14 permits out there. So I appreciate that.

11: 53: 29

15 So my husband and I moved out to Eagle

11: 53: 30

16 Mountain City, despite the local growing pains we've

11: 53: 32

17 had politically. We love, we absolutely love it out

11: 53: 34

18 there. We moved out there because we wanted an

11: 53: 37

19 affordable house where I could stay home, raise my

11: 53: 40

20 children, participate in the schools, participate in

11: 53: 43

21 the community. He stills needs to work two jobs, but

11: 53: 46

22 he works at the mouth of Provo canyon, and travels

11: 53: 49

23 every single day on three of the four worst roads in

11: 53: 52

24 Utah County. So we know firsthand the cost and the

11: 53: 56

25 time that goes into the transportation problem out

11: 53: 57



1       there. 11: 53: 59

2               One question that I have is number one, 11: 53: 59  
3       would the -- is there a transcript being kept of these, 11: 54: 03  
4       of these different talks and the different things that 11: 54: 07  
5       have been kept today? Oh, wonderful. Thank you. So 11: 54: 09  
6       someone like me, I've been out there with my child. I 11: 54: 12  
7       want to look that up afterwards. 11: 54: 14

8               My second main concern, I e-mailed about 100 11: 54: 16  
9       of my friends and family that live all up and down the 11: 54: 18  
10      Wasatch Front, and asked for their opinion, and 11: 54: 21  
11      mentioned that I was coming here. The majority of them 11: 54: 24  
12      said they would favor a toll road because they felt 11: 54: 26  
13      like that is the only option to get the roads there, 11: 54: 28  
14      and to address the transportation needs at the time, 11: 54: 32  
15      however, it is not something they want to pay on 11: 54: 35  
16      forever. 11: 54: 38

17              The analogy that came to my mind was -- and 11: 54: 39  
18      please believe me, I grew up in Sandy, when we were 11: 54: 42  
19      changing zip codes all the time, and when there were 11: 54: 44  
20      huge fields. And I remember riding my bike on Highland 11: 54: 46  
21      Drive when it first started. And amazing to come back 11: 54: 50  
22      and see how that infrastructure has changed, and helped 11: 54: 53  
23      that community just grow and flourish. I think of it 11: 54: 56  
24      now, as children who grow up in a family and parents 11: 54: 59  
25      pay for the college education or a car of the first 11: 55: 02

1 three children, the fourth child comes to graduation 11: 55: 05  
2 and they say, Oops. Sorry. It's just too expensive 11: 55: 08  
3 now. You're going to have to pay for it on your own. 11: 55: 11  
4 But not just you, your grandchildren, and your great 11: 55: 13  
5 grandchildren, and your great great grandchildren. I 11: 55: 17  
6 do not see that that is fair. I would like to see a 11: 55: 17  
7 sunset clause put in that, as soon as the bond is 11: 55: 19  
8 retired. 11: 55: 23

9 MR. KNOWLTON: Just a few more words, 11: 55: 23  
10 please. 11: 55: 24

11 AUDIENCE MEMBER: Thank you. 11: 55: 25

12 As soon as the bond is retired, as soon as 11: 55: 25  
13 there is a reasonable profit, but I would like to see a 11: 55: 27  
14 sunset clause put on that. 11: 55: 31

15 Thank you very much. 11: 55: 34

16 MR. KNOWLTON: Thank you. 11: 55: 34

17 Please. 11: 55: 36

18 AUDIENCE MEMBER: Good morning. Mike German 11: 55: 37  
19 with the Utah Taxpayers Association. 11: 55: 38

20 Since this is a major tax issue, we would 11: 55: 40  
21 have appreciated being able to speak today. But we'll 11: 55: 42  
22 take our two minutes right now. 11: 55: 45

23 We've talked a lot about funding mechanisms, 11: 55: 47  
24 and how to fund transportation infrastructure, whether 11: 55: 51  
25 it's roads and transit. You know, been a lot of 11: 55: 54

1 offense, so to speak. But there hasn't been a lot of 11:55:59  
2 talk on the defense side, about how to slow the growth 11:56:00  
3 in vehicle miles traveled, especially during rush hour. 11:56:03  
4 I think we think that has to be the top priority before 11:56:07  
5 any other issue is discussed, and enough, of course, 11:56:09  
6 that means talking about congestion pricing or variable 11:56:11  
7 pricing which is a form of tolling. 11:56:14

8 If we could provide incentives to commuters 11:56:16  
9 to change their driving habits, whether it's 11:56:19  
10 carpooling, telecommuting, living closer to work, 11:56:22  
11 leaving earlier or later, that would have a tremendous 11:56:24  
12 impact on vehicle miles traveled during rush hour. 11:56:27  
13 Downsizing also. But there's no way we can possibly 11:56:31  
14 afford, as taxpayers, and there's no way our economy 11:56:34  
15 can afford the kinds of tax increases you're talking 11:56:37  
16 about. A one percent sales tax increase, someone 11:56:40  
17 mentioned 400 to \$500 million per year, and that won't 11:56:42  
18 even cover the costs. Something's got to give. So 11:56:47  
19 until we really start talking about the way of slowing 11:56:50  
20 the growth and vehicle miles traveled, we're looking at 11:56:53  
21 tax increases that will crush our economy. 11:56:54

22 One comment real quick. There's been an 11:56:56  
23 issue brought up about whether or not tolling is fair. 11:56:58  
24 Senator Maynes said, Why the west side? That's a 11:57:02  
25 valid point, and that's why the Taxpayer's Association 11:57:04

1 will be lobbying for tolling on all of the new 11:57:06  
2 capacity, including the Legacy, and in Utah County, 11:57:09  
3 everywhere else. Because I think you're right. It is 11:57:12  
4 a fairness issue. Why the west side? It should be 11:57:15  
5 all new construction. And if I'm on the side of 11:57:17  
6 whether or not that is a double tax, I think everyone 11:57:20  
7 in this room knows that we already use multiple revenue 11:57:22  
8 sources already. We use Federal gas tax, state gas 11:57:25  
9 tax, sales tax, local tax, et cetera. I counted eight 11:57:28  
10 or nine revenue sources already. And increasing one of 11:57:32  
11 those is not a double tax. Why is a variable toll a 11:57:35  
12 double tax? It's just another funding mechanism. 11:57:39  
13 This one is practical because it does give people 11:57:42  
14 incentive to change their driving habits. 11:57:44

15 Thank you. 11:57:46

16 MR. KNOWLTON: Thank you. 11:57:46

17 Sir. 11:57:47

18 AUDIENCE MEMBER: Good afternoon. I'm Lemar 11:57:52  
19 Kuhn. I have the 21st Century Business Park in 11:57:54  
20 West Jordan. We started buying property out there back 11:57:58  
21 in 1989. My great grandfather settled the West. He, 11:58:05  
22 in 1853, came, built the bridge over the Jordan River 11:58:17  
23 at North Temple, and called -- when he got over to the 11:58:18  
24 other side, he called it West Jordan. That went to the 11:58:22  
25 mountains on the south. I consider the property we own 11:58:25

1 out in West Jordan as my heritage. We owned 218 acres. 11: 58: 31  
2 We still own 76. We have a lot of fine businesses out 11: 58: 40  
3 there, Sysco, Dannon. We have several thousand people 11: 58: 45  
4 out there per day travel east and west, and a lot of 11: 58: 51  
5 them go north and south. Our north and south structure 11: 58: 56  
6 is, between you and I, terrible. Our east and west, 11: 58: 59  
7 we're over crowded right now. I voted for number 11: 59: 04  
8 three. I live on the east side. We will be in our 11: 59: 11  
9 home 50 years next year, November 1st. 11: 59: 13

10 The reason I voted for it, I feel the 11: 59: 21  
11 commitment to the valley, because of my heritage, and 11: 59: 26  
12 to all of the nice people I know, and the tons of 11: 59: 30  
13 people out in West Jordan. We have a new mayor out 11: 59: 33  
14 there. He's here this afternoon. David Newton. And 11: 59: 36  
15 he's done a terrific job for the city. We'll be over 11: 59: 42  
16 100,000 population within the next few months. And all 11: 59: 46  
17 of the people that are in West Jordan, they are not 11: 59: 52  
18 rich people. I don't see too many Cadillacs, Lincolns, 11: 59: 55  
19 Rolls Royces, not much of that. I see a lot of trucks, 12: 00: 06  
20 a lot of SUVs. We need to get around out there. 12: 00: 11  
21 Please give us some help. We -- the employees out 12: 00: 17  
22 there cannot afford a toll road. 12: 00: 19

23 MR. KNOWLTON: Few more words. 12: 00: 22

24 AUDIENCE MEMBER: Thank you very kindly. 12: 00: 25

25 MR. KNOWLTON: Thank you. 12: 00: 26

1	AUDIENCE MEMBER: Michael Packard. Sandy.	12: 00: 30
2	Yesterday, KSL had an editorial about the	12: 00: 32
3	tremendous economic problems facing our country. Huge	12: 00: 39
4	problems. And those aren't all of them. He	12: 00: 43
5	mentioned -- he quoted a, quote unquote, a mantra for	12: 00: 45
6	our comptroller General David Walker, about the huge	12: 00: 48
7	problems we've faced. Well, Mr. Walker, a year ago, in	12: 00: 52
8	a GAO study a year ago, May 05-423, mentioned that for	12: 00: 55
9	America's economy, and our security, we needed to be	12: 01: 03
10	evaluating the cost and benefits of highways versus	12: 01: 14
11	transit. And nobody is. I've urged the regional	12: 01: 14
12	council to do this. They've ignored it. In their	12: 01: 15
13	highways, building roads with our money that we pay,	12: 01: 21
14	your taxes, it's more than 36 times more cost effective	12: 01: 26
15	for the percentage of trips that they produced than	12: 01: 29
16	transit. That's -- transit has projected to spend 16	12: 01: 32
17	billion tax dollars by 2030, or 1.8 percent overall,	12: 01: 35
18	what's called relative share. And that's \$9 billion	12: 01: 39
19	almost.	12: 01: 44
20	And this is just taxpayer money.	12: 01: 44
21	Highways, a quarter billion dollars for each	12: 01: 47
22	percentage point. So that's 36 times. The money we	12: 01: 50
23	need for this project is going to be wasted on transit.	12: 01: 53
24	UTA has got to be one of the most wasteful bus systems	12: 01: 56
25	in the country. The higher spiraling costs.	12: 02: 00

1 \$10 billion to go to UTA buses for about three-fourths  
2 of one percent share.

3 It's --

4 MR. KNOWLTON: Concluding comments?

5 AUDIENCE MEMBER: I've made a chart to show  
6 the -- this huge growth in trip making on the west side  
7 in the southwest quadrant of the valley, District 6 as  
8 regional counselor calls it. This huge growth in trip  
9 making. It's in the long range plan. This is what  
10 highways would normally be doing, carrying about  
11 35 percent. If you have freeways, I mean. If you look  
12 closely, I'm going to pass this out. There's a faint  
13 red line at the very top to show how this 5,000 rides  
14 on the mid-Jordan light rail line will chain down this  
15 humongous growth. Well, it's so small you can hardly  
16 see it, at the top of this chart. It is nothing. And  
17 that \$900 million in the Proposition 3 money needs to  
18 go to western transportation corridor, go to the  
19 Legislature to get money back from the UTA for the  
20 wasteful buses they run.

21 And Kennecott Land is not your ordinary  
22 500-pound gorilla, they're a 20-ton king kong, and they  
23 need to contribute big time.

24 But there are unique opportunities for  
25 partnering with them, so they can contribute with the

1       tremendous impact their project would have on the west  
2       side transportation.

3               MR. KNOWLTON:   Thank you.

4               AUDIENCE MEMBER:   Thank you.

5               Please.   Hello there.   My name is Kent  
6       Money, and I'm the mayor of South Jordan.   I appreciate  
7       this opportunity of taking a couple of minutes with  
8       you.

9               I have been impressed with the discussions  
10       that we've had thus far on the Mountain View Corridor.  
11       I've been involved in it for about two years, and  
12       Teri's done a great job.   Vision Utah has done a great  
13       job.   The thing I'm impressed with is we're talking  
14       about this issue now, and we're discussing these items  
15       now.

16               Mountain View Corridor doesn't need to be  
17       built today.   I think we do have some time before it's  
18       built, but it's going to have to be built.   We're  
19       projecting Kennecott's project I think a half a million  
20       people on the west side eventually, and that's a lot of  
21       pressure, especially when you talk about trying to get  
22       people around, unfortunately.   Some of the cities have  
23       preserved corridors.   I know in South Jordan, Kennecott  
24       owns most of the land there, and they have preserved a  
25       corridor for the Mountain View Corridor, and other



1 cities have followed suit.

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2 We -- and I don't know that I personally am  
3 against tolling, but I am against tolling the Mountain  
4 View corridor, because I look upon it as a local road.  
5 Local -- people who live in that vicinity are going to  
6 be using it.

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7 If we put it as a toll road, and I just  
8 calculated by the numbers that were put up on the  
9 screen, if we're talking \$0.20 a mile, and out in South  
10 Jordan there are 20 miles to downtown Salt Lake City.  
11 Now, some of that may not be a toll, but when you start  
12 talking seven to eight bucks for a round trip on a toll  
13 road, I wonder how many people out on the west side are  
14 going to be able to pay that. And if they're not going  
15 to be paying that, then you're going to put additional  
16 pressure on the east/west traffic that goes to I-15.

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17 Now, all of Salt Lake County has an  
18 investment in this Mountain View Corridor, because if  
19 we can take people off of I-15, that's going to benefit  
20 those who live on the east side.

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21 The Mountain View Corridor is another fact  
22 of life, for better or for worse, is that in Salt Lake  
23 County, we kind of relegate it to the west side, lower  
24 income housing, first-time homebuyer's housing, and  
25 that's the burden. Those are the people, a lot of the

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1 people who will be expected to use the Mountain View  
2 Corridor, is that group of people.

3 And, as you know, in Utah, we're -- we are  
4 extremely conservative about the monies we pay. And  
5 I -- again, I stress the point, this east/west  
6 pressure. The increase.

7 Now, I think, unfortunately, Commissioners,  
8 you haven't been given the tools that some of the  
9 cities have with regards to RDAs and EDAs. If they are  
10 used properly, they can be a tremendous benefit to a  
11 community.

12 One of the concerns that I have about the  
13 Mountain View Corridor is -- and we talked about, is  
14 increased economics that it's going to bring to that  
15 area, to the state, and also to the property owners  
16 that surround the Mountain View Corridor. Isn't there  
17 some kind of a financial impact that we can place  
18 there, that the -- because of the economic development,  
19 because of the windfall on -- for the property owners,  
20 can't some of that money go to help pay for that public  
21 infrastructure that's going to be built there?

22 Do we phase Mountain View Corridor? I  
23 think there are a number of things that we can look at.  
24 We can be creative in trying to find additional dollars  
25 to help build this road that's not a burden on a

1 particular area, and -- because the road happens to go 12: 08: 09  
2 through that area. 12: 08: 14

3 MR. KNOWLTON: Thank you, mayor. 12: 08: 16

4 AUDIENCE SPEAKER: I'm Mayor Dave Newton 12: 08: 21  
5 from West Jordan. I echo what Mayor Money just said. 12: 08: 25  
6 You know, you guys are faced with terrible choices. 12: 08: 30  
7 It's a difficult situation. And I think we all 12: 08: 34  
8 understand it, and appreciate the opportunity to have 12: 08: 37  
9 these discussions. 12: 08: 42

10 Let me mention one thing that I don't think 12: 08: 43  
11 has been mentioned here, and that is a concern to the 12: 08: 45  
12 people of West Jordan. 12: 08: 47

13 We were given to understand that if we build 12: 08: 49  
14 this road as a toll road, that it will be smaller than 12: 08: 55  
15 if it's a freeway. And where our concern of that is, 12: 08: 58  
16 where there's such a great need. We have 100,000 12: 09: 03  
17 people now in West Jordan, and three roads that travel 12: 09: 06  
18 ten miles without any freeways. And we're hoping that 12: 09: 09  
19 this corridor will provide some means to alleviate some 12: 09: 15  
20 of that. And if it's smaller, then we're not 12: 09: 19  
21 alleviating that congestion that we're trying to 12: 09: 24  
22 alleviate. 12: 09: 27

23 Mayor Nordfelt indicated that our road 12: 09: 28  
24 problems are east and west. It is. But we're hoping 12: 09: 30  
25 that Mountain View will provide some relief to that 12: 09: 33

1 whole situation.

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2 And so also, earlier in the year Mayor  
3 Nordfelt indicated that this was a regional highway,  
4 and a regional concern, and that the Wasatch Front  
5 would direct this. It's a regional effort. And I  
6 agree with that, and also believe that, in that case,  
7 then the regions should help pay for it. And so, we  
8 know your choices are tough, and we'll support you in  
9 whatever you do. Thank you.

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10 MR. KNOWLTON: Thank you Mayor.

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11 At this point I want to clarify that we will  
12 take this to approximately 12:15. If that sounds okay  
13 with the Commission.

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14 COMMISSIONER BROWN: Fine.

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15 MR. KNOWLTON: And I wanted to clarify that  
16 at the bottom of your agenda is the Web site, UDOT  
17 Utah.gov backslash Mountain View. That is where the  
18 presentations and the transcript can be found.

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19 I will have time for a couple more questions  
20 or comments.

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21 AUDIENCE MEMBER: Thank you. My name is  
22 Brad Marcus. I'm from the Riverton City council. Just  
23 a couple of thoughts, if I might.

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24 I sincerely appreciate your thoughts on  
25 fairness. That is a serious issue, obviously, and we

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1 appreciate your willingness to look at that and examine  
2 that.

3 As I run the numbers that you presented, if  
4 somebody takes a 30-mile commute each day during the  
5 peak hours, they're looking at approximately \$270 a  
6 month to be able to use the toll road. Obviously there  
7 aren't many residents in the state, let alone on the  
8 west side, that will be able to utilize that service  
9 for \$270 a month.

10 Like the other mayors that have spoken, we  
11 too are very concerned about the east/west, and  
12 recognize that the north/south will help that. That  
13 will allow people to move north or south before they  
14 have to go east/west.

15 And so we appreciate you looking at it. We  
16 need it. And there's no doubt, if you've not spent any  
17 time out in the southwest area of the valley, there is  
18 much to be done out there. So in fairness, thank you  
19 for your willingness to look at that.

20 MR. KNOWLTON: Thank you.

21 AUDIENCE MEMBER: My name is Lynn Crane.  
22 I'm the mayor of Herriman City. And I would just like  
23 to express appreciation to everyone who has  
24 participated here today, and to the Commission for  
25 having this discussion. It's been informing, and

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1 interesting, and obviously people with a lot more 12: 12: 06  
2 expertise than I are trying to address this situation. 12: 12: 10

3 But we do have a serious situation. And my 12: 12: 13  
4 concern is that we address the issue of fairness. That 12: 12: 17  
5 seems to be one of the primary concerns of everyone 12: 12: 23  
6 here. I think it was Commissioner Ellertson that said 12: 12: 25  
7 when we make a decision as monumental as funding a 12: 12: 30  
8 project like the Mountain View Corridor, there -- it 12: 12: 34  
9 creates a tremendous impact. 12: 12: 38

10 I know in our community, when we make 12: 12: 42  
11 decisions, some of those decisions impact some of us -- 12: 12: 44  
12 some members more than it does others, and that's 12: 12: 47  
13 inherent in the nature of what we do. 12: 12: 50

14 However, we should try to minimize that 12: 12: 52  
15 impact as much as possible, and make it fair. 12: 12: 55

16 I have a friend who has always said, 12: 13: 00  
17 regarding church callings, that if all of those church 12: 13: 04  
18 callings at the top are so good, they ought to be 12: 13: 07  
19 passed around and shared. And then he said, and if 12: 13: 10  
20 they're not that good, they ought to be passed around 12: 13: 12  
21 and shared. And that's a little bit about the way 12: 13: 15  
22 impact on these issues are. If we can pass it around 12: 13: 19  
23 and share it, it will be more compatible for everyone. 12: 13: 23

24 So the fairness is an issue. I think there 12: 13: 29  
25 are a lot of alternative ways to produce funding, and 12: 13: 32

1        maybe we need to use all of those.

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2                There's been some talk about the gasoline  
3 tax. Certainly an additional sales tax. We would  
4 support all of those things in lieu of a toll, if it  
5 were possible. If it were possible. If it was  
6 possible.

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7                I'm happy that the media is here, and  
8 there's been a lot of talk about the political will of  
9 the Legislature, or of elected officials. It is going  
10 to take political will to address these issues. And  
11 hopefully, as it becomes more -- as the information is  
12 out, and the public becomes more and more aware, the  
13 media can help us generate the political will. The  
14 elected officials and the Legislature gets their will  
15 from the people, and the feeling of the people. And so  
16 you can help a great deal in helping generate that --  
17 the political will to address the situation.

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18                Thank you again for the opportunity to be  
19 here. I don't envy your decisions. I know that  
20 they're tough. I do have great concerns about tolling,  
21 as someone who lives on the west side.

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22                One other comment. There was some comment  
23 about the technology that may be available that could  
24 help address and mitigate the direct impact that some  
25 of the people on the west side would feel with a

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1 tolling decision. Hopefully that will be looked at, 12: 15: 02  
2 and that \$270 that Brad is talking about could be 12: 15: 05  
3 mitigated for the people that live in the radius, or in 12: 15: 09  
4 the vicinity of the corridor. 12: 15: 13

5 Thank you very much. 12: 15: 17

6 MR. KNOWLTON: Thank you, Mayor. 12: 15: 18

7 We have time for two more questions. 12: 15: 19

8 AUDIENCE MEMBER: I'll be quick. I'm Barry 12: 15: 21  
9 McCullough. I'm a resident of Sandy City. 12: 15: 24

10 First, I'd like to compliment 12: 15: 27  
11 Commissioner Millington, and as well as Vern Anderson, 12: 15: 29  
12 in commenting and pointing out that sources like 12: 15: 31  
13 gasoline tax or fuel tax shouldn't be taken off the 12: 15: 34  
14 table so early until we get through the process, 12: 15: 37  
15 because certainly, as the president said, we do have an 12: 15: 39  
16 addiction to oil, and we have an energy problem in this 12: 15: 43  
17 country, and maybe that can help solve, or at least get 12: 15: 46  
18 us in the direction there. 12: 15: 49

19 The specific follow-up question I have is 12: 15: 50  
20 one that Commissioner Wells had for Vicki, I believe, 12: 15: 52  
21 with Kennecott. Is -- one of the examples that were 12: 15: 55  
22 shown by one of the presenters was having a very 12: 15: 59  
23 specific impact fee to housing, business development of 12: 16: 01  
24 two to \$4,000 per unit as an example. Would Kennecott 12: 16: 05  
25 Copper, or Kennecott Development, as being one of the 12: 16: 11



1 major developers in that area, consider that a way of 12: 16: 12  
2 partnering with solving this problem? 12: 16: 16

3 MS. VARELA: It's our view that every option 12: 16: 20  
4 needs to be in the mix. And so there's got to be a 12: 16: 23  
5 discussion about that. There's got to be a discussion 12: 16: 30  
6 about toll roads, regional taxes, sales taxes, gas 12: 16: 32  
7 taxes. All of those things need to be out on the table 12: 16: 36  
8 to figure out how we come up with the money to create 12: 16: 40  
9 the regional infrastructure that's necessary for the 12: 16: 44  
10 quality of life. 12: 16: 47

11 MR. KNOWLTON: Any other panelists that want 12: 16: 50  
12 to comment on that? 12: 16: 52

13 Okay. Please. 12: 16: 54

14 AUDIENCE MEMBER: I'm Paul Fetzner, Fetzner 12: 16: 55  
15 Architectural in West Valley. 12: 17: 03

16 Without mining, extraction of the national 12: 17: 04  
17 resources and manufacturing of those resources and 12: 17: 10  
18 bringing those resources to market, we don't have a 12: 17: 12  
19 goose that laid the golden egg. You have no taxes if 12: 17: 16  
20 that economy is not healthy. And that's my primary 12: 17: 21  
21 concern. The businesses that are on the west side and 12: 17: 26  
22 need to be connected with the rest of the business 12: 17: 29  
23 corridors in the state, need desperately for this 12: 17: 34  
24 corridor. And so I'm urging the Commission to do their 12: 17: 39  
25 part in waxing the wheels of -- or the track of 12: 17: 47

1 business, because that's the goose that laid the golden  
2 egg and provides the taxes for these roads, and for  
3 education, and for the other programs that we need. So  
4 if you're not doing that, then I think we've failed in  
5 our efforts.

6 Thank you.

7 MR. KNOWLTON: Thank you.

8 Thank you for all in the audience for your  
9 patience today, and for your participation.

10 Commissioner Brown, I'd like to turn it over  
11 to you for closing comments.

12 COMMISSIONER BROWN: Thank you again.

13 Ted, we appreciate you moderating our panels  
14 today.

15 I've served as a member of the Legislature,  
16 as you know. When I first started I had a lot of the  
17 answers. When I ended, I had some of the questions  
18 figured out. I think that's kind of parallel to what  
19 we're dealing with here. It's a lot easier to figure  
20 out the questions than it is the answers.

21 But -- and I trust we'll do that. It will  
22 take a balance and it will take efforts on the part of  
23 everybody that participated and referred to here today.

24 I remember -- I'm getting to where I  
25 don't -- my memory don't come as good as it used to,

1 but we had to pump the lake once. And we prepared to 12: 19: 08  
2 do it, and then some of that, and being a legislator 12: 19: 14  
3 that lived in the mountains, I struggled with wanting 12: 19: 19  
4 to vote -- spending public money to pump the lake that 12: 19: 21  
5 I -- I couldn't figure out, where I live at 5600 and 12: 19: 24  
6 the lake's 4211, that I was at very much risk. But 12: 19: 27  
7 after having reviewed that, and trying to be a 12: 19: 34  
8 responsible public servant, I realized that there was a 12: 19: 37  
9 public need in this state for that to happen. And I 12: 19: 40  
10 supported and voted for that piece of legislation, and 12: 19: 44  
11 I trusted our elected officials, when they hear 12: 19: 48  
12 everything there is to hear, and study it in the depth 12: 19: 51  
13 that they need, that I trust we will come together and 12: 19: 53  
14 we'll find a solution to build the Mountain View 12: 19: 56  
15 Corridor in a timely manner, and do it as equitably and 12: 20: 00  
16 fairly as we know how to do. 12: 20: 04

17 Again, we thank all of you for coming today, 12: 20: 05  
18 and there will obviously be more discussions, more 12: 20: 07  
19 meetings held. Continue to do your best thinking and 12: 20: 10  
20 feel free to interact with any of us on the Commission, 12: 20: 13  
21 or any of the department, or your local elected 12: 20: 17  
22 officials. And we're all in this together trying to 12: 20: 19  
23 solve this. 12: 20: 22

24 Thank you very much, and have a good 12: 20: 23  
25 afternoon. 12: 20: 25

1                   The Commission will be recessed until 1:30,  
2                   and we'll have our -- we'll move over to the complex to  
3                   complete our meeting today.

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4                   (Whereupon, the hearing  
5                   was concluded at 12:21 p.m.)

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1       STATE OF UTAH                               )  
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2       COUNTY OF SALT LAKE                )

3  
4                       THIS IS TO CERTIFY that the foregoing  
5 proceeding in the foregoing cause named, was taken  
6 before me, DEBRA A. DIBBLE, a Certified Shorthand  
Reporter and Notary Public in and for the State of  
Utah, residing at Woodland, Utah.

7                       That the testimony of said proceeding was  
8 reported by me in Stenotype, and thereafter caused by  
9 me to be transcribed into typewriting, and that a full,  
true and correct transcription of said testimony so  
taken and transcribed is set forth in the foregoing  
annexed transcript.

10  
11                      I further certify that I am not of kin or  
12 otherwise associated with any of the parties to said  
13 cause of action, and that I am not interested in the  
event thereof.

14                      IN WITNESS WHEREOF, I have hereunto set  
15 my hand and affixed my Notarial Seal this \_\_\_\_ day of  
\_\_\_\_\_, 2006.

16  
17     
Debra A. Dibble, C.S.R., R.P.R.  
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